DOCUMENT RESUME

ED 089 472 EA 006 083

TITLE	Federal Focus on Education: Transcript of Proceedings. Education Seminar. (Washington, D.C., April 18, 1974)
INSTITUTION	Department of Health, Education, and Welfare, Washington, D.C.
PUB DATE	18 Apr 74
NOTE	200p.
EDRS PRICE	MF-$0.75 HC-$9.00 PLUS POSTAGE
DESCRIPTORS	Civil Rights; Educational Development; Educational Research; Elementary Education; *Federal Aid; *Federal Government; *Federal Legislation; *Federal Programs; Higher Education; News Media; Program Descriptions; Revenue Sharing; School Integration; Secondary Education; Seminars; Veterans Education
IDENTIFIERS	National Institute of Education; NIE; OE; Office of Education

ABSTRACT

This report of the education seminar held before media representatives contains statements by policy-level officials and technical experts in the Department of Health, Education and Welfare. Formal presentations are followed by question and answer sessions. Participants in the seminar include Lewis M. Helm, Assistant Secretary for Public Affairs; Casper W. Weinberger, Secretary; Charles B. Saunders, Jr., Acting Assistant Secretary for Education; Thomas K. Glennan, Jr., Director, National Institute of Education; John R. Ottina, Commissioner of Education; Peter E. Holmes, Director, Office for Civil Rights; Stanley B. Thomas, Jr., Assistant Secretary for Human Development; Odell W. Vaughn, Chief, Benefits Director, Veterans Administration; and Kenneth B. Cole, Jr., Executive Director, Domestic Council. (JF)

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Federal Focus on Education

Transcript of Proceedings

Old Executive Office Building
Washington, D.C.
Thursday, April 18, 1974

U.S. Department of Health, Education,
and Welfare

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EDUCATION SEMINAR

FEDERAL FOCUS ON EDUCATION

Washington, D.C.

April 18, 1974

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P R O C E E D I N G S

MR. HOLLAND: Good morning everyone. My name is Jim Holland, Deputy Director for Communication for the White House. On behalf of the President I would like to welcome you to the Seminar today, and I hope it proves quite fruitful.

Without further ado, I would like to introduce your Moderator, Lewis M. Helm, Assistant Secretary for Public Affairs, HEW.

MR. HELM: Thank you, Jim.

It is a genuine pleasure to welcome you here today, especially the people who travelled quite a distance, and I understand a number of you have.

Our subject is education. Our intention is to provide background and perspective, and to answer questions that you might have.

We are not here here primarily to make front-page news, though, no doubt, some stories will result. Our goal is to brief you in detail and objectively not only on the status of the education programs and the Administration but the larger purposes and goals of the programs.

I know from experience that persons on the program today probabily will be learning something in return, from the nature and intensity of your questions. Press conferences at HEW and also those that have been conducted here are two-way streets and I think everybody can benefit in the long

run.

Early in his tenure at HEW, Secretary Weinberger determined that one of the most important aspects of Government was communicating with the people we serve, making certain that they know what programs and services are available to them and what decisions we are making that affect those programs. Toward this end, at HEW our agency heads and Assistant Secretaries and the Secretary himself are readily available to the public through the news media, and this policy decision has led to the establishment of the seminars. This is the eleventh of a series of HEW seminars that we have conducted during the last eight months. These are seminars that have drawn about 800 news media representatives and press who have asked more than 2,000 questions.

We use two basic formats. One is our Regional Communication Seminor in which we go to each of HEW's 10 Regional Headquarter cities, as we did in New York yesterday, and present the Agency Heads and Assistant Secretaries for that particular section of the country.

The other format is like the one today, in which we have a single major policy area to select and discuss in depth. We hold this kind of seminar here, under the aegis of the White House, since normally more than HEW is involved in these broad policy areas.

In addition to HEW speakers today you will be hearing

a representative from the Veterans Administration, and also from the Domestic Council with the White House point of view.

These seminars began last year with a session on health policy in this very room. That was the end of last summer. Reaction to that one was so favorable that the 10 other seminars were undertaken as a result.

The format is simple. The speaker will deliver a presentation and then answer all the questions that you have to ask. In addition to policy-level officials, we have technical experts here today to handle any kind of question.

If there is some question which you do not have an opportunity to ask or have answered, let us know. Sandy Winston, in the back of the room here, and other people from HEW will be glad to seek the answers and get them back to you by the close of the seminar. Sometimes we miss that and if we do miss we will get it back to you by tomorrow at the latest.

In addition, we will be sending the transcript of the entire seminar to you next week. So you can have that as a reference also for your own future notes.

And, now, our keynote speaker, Secretary Weinberger, was sworn in as the 10th Secretary of Health, Education, and Welfare on February 12 last year. Prior to that he had been Director and Deputy Director of the Office of Management and Budget.

He first came to Washington in 1970 and served as Chairman of the Federal Trade Commission, an agency he reorganized from the bottom up.

Prior to joining the Administration, he served as Director of Finance for the State of California, where he also was a State Legislator from San Francisco.

Before getting into Government, Secretary Weinberger was a San Francisco lawyer who wrote a statewide column on governmental affairs and who also hosted his own educational show.

It is my pleasure to present my boss, Secretary Weinberger.

SECRETARY WEINBERGER: Thank you very much.

I am delighted to be here and welcome you here. We have made the offer to answer all and any questions. I am glad that Lew amended that by saying we would be able perhaps to submit some of them in writing later if we are unable to answer them directly at the moment.

But first I would like to present to you Frank Carlucci who is the Undersecretary of the Department of Health, Education and Welfare, and who is here both as a policy making official and a technical expert, and it is very fortunate indeed that he is. He has been the Head of the OEO and Deputy Director of the Office of OMB, and has done a superb job in working in the very difficult and complex

negotiation involving the Elementary and Secondary Education Act with the Senate Committees.

We have, of course, a great deal of pleasure that you accepted the invitation and a great deal of pleasure in the opportunity to present some of the objectives of our educational policy and be accessible to take your questions on them.

We feel, I think, without question throughout the Administration that the greatest national resource is the youth, and that the greatest method of developing that national resource is through the educational process in the school system, and the human mind of each citizen in its development to its fullest potential is our utlimate national strength.

So what we have really on the agenda today is a series of the very highest priorities of the Federal Government. It is customary to separate these sometimes and say highest domestic priority, highest foreign priority, and so on, but I don't think anyone has ever challenged the fact that the educational aspects of our work certainly are in the very highest priorities of our Government.

Financing of education still is and should remain in my opinion primarily the responsibility of State and local governments and the private sector, but we do do considerable at the Federal level. In dollars a little

less than 10 percent of the total of $96 billion annual budget for education. That, of course, includes higher education. I think we are somewhere around 7 percent of the elementary and secondary education and the Federal funds, I think, should be used for a very special purpose, to make critical differences at many levels of the entire operation, critical differences in the overall quality, critical differences in selected target areas of national concern, and critical areas surely in research and development where the local budgets are frequently, if not always, inadequate for development of new techniques and for the studies that are necessary to develop those new techniques.

We are, of course, totally dedicated to these goals and we believe that the Federal supplement to local education should be timely.

As you know, we have legislation in for that purpose, of trying to get advance funding and get the local school districts and the State governments not only aware, but actually the receipt of the Federal funds a year in advance of the time when they will actually be needed.

We also believe that the Federal contribution should be of a size to make these critical differences and we believe that the Federal contribution should be sufficiently flexible so that it will permit its most effective use in all of the varying communities and districts with all of their unique

priorities and problems throughout the country.

How we propose to do this, how we are doing it, is, of course, what we are trying to talk about today.

We want to remember that we are simply trying to help children in the classroom to develop better their full potential, and the Federal aid we propose would help the student in the classroom at various strategic points from elementary and secondary school to college and beyond.

To do this effectively, I think we have to resist the tendency to mount as many separate special programs as there are special problems. More is required than just special funds for remedial reading or remedial math. It requires a total remedial approac, or remedial approach to school financing. A remedy for the piecemeal, last minute allocations of Federal funds and programs that are practically straight-jacketed because of the narrowness of the boundaries in which the funds can be used. These may very well not fit particular needs of that local school district.

Many of the reforms we have initiated represent attempts to secure such total remedies, but efforts at reform inevitably create confusion and controversy and always opposition, and that opposition always does seem to arise when one seeks to change the accustomed way. And we find the Congress can get accustomed to something in less than a month, ordinarily, so that if you do have anything that is

established any attempt to change it does meet very, very strong controversy, and that in turn leads to confusion as to what we are actually trying to do. Sometimes this come from the members of the educational community, whom we believe, if they were aware of these objectives, would want to support the changes.

I think the way out of this confusion is to go back to the basic principles, the ideas we had in mind in proposing some of these reform efforts and these principles that under-geared our efforts. Simply that Federal aid to education, the Federal aid portion of the total education budget should be based upon and try to secure equity and predictability and maximum choice. Those things we are seeking in our efforts to reform elementary and secondary education, reflect, I think, all of the basic principles.

We seek a Title I formula which equitably recognizes the active presence of children from low-income families and what it takes to give them a better chance. I am getting a little worried, frankly, about the timing on it because, as you know, the whole authority for Federal Aid to Education runs out on June 30. It ran out last year, but there was a one year extra, a year of grace, and that runs out on June 30 of this year, and, of course, we have to have the authorization before we can get the forward funding.

So these are points of considerable concern, and we are grateful if that can be enacted prior to June 30.

We are also seeking freedom of choice with a way in which the Federal funds can be used through Grants consolidation.

The Title I distribution formula for funds for compensatory education, those are obviously very important issues. This formula has not been changed since 1965 and it is based on an income level of poverty that is far too low at today's level. What we are proposing is that funds for compensatory education be distributed on a far more equitable basis which would award funds to school districts where children from low-income families are concentrated, and the formula we propose would raise the threshold level of poverty, allow for the higher cost of living in certain areas of the country, and provide a new definition of the poverty level which reflects differences in family size.

Also on this year's legislative agenda is revision of the Federal Impact Aid program. This is one of the ones I specifically had in mind when I mentioned the difficulty of getting any change in any existing program.

It certainly makes good sense to help school districts which would bear the cost of educating their children whose parents live and work on Federal property. They are essentially not really part of the community in the sense that

at least they don't pay property taxes, although they do pay many other sales taxes and things of that kind, but they pay not nearly as much of the local tax which goes into the support of the school system. So we plan to continue to help meet the cost of educating children where the parents live and work on a Federal installation.

We think it makes, of course, no sense at all to spend scarce Federal dollars for each child whose Federally employed parent lives in the community and pays local and state taxes. The fact that the parents are Government employees is immaterial, and we have proposed, as many Presidents before this President have proposed, to end what we believe to be these unwarranted things. Equity is very much the issue. We can't think of any more irrelevant basis for allocating Federal aid than on the basis of who the parents work for, and yet, this has not been a popular proposal in the Congress.

We do not intend to withdraw Impact Aid funds precipitously or prematurely. We do plan to phase out Federal Impact Aid payments for children of Federal workers who live and pay taxes in the communities, who happen to work on or for Federal installations.

As you know, grants consolidation represents a second set of important issues -- issues of local choice. Under the Administration's proposals, states and school

districts would get federal dollars and -- within certain national priorities -- could spend the money on the programs most needed to ease local educational problems. In one school district, the money might be used for more library books -- in another, the need might be equipment. In each case, the grant authority would be broad enough to allow either use of the funds, depending on the school's particular need.

This present system of categorical programs has forced schools to struggle with narrow, restrictive programs, some of which do not even address themselves to the major needs of particular schools. Some of these programs are overlapping. All of them force schools to major in "grantsmanship," with all the needless paperwork, redundant forms and technical justifications that entails.

There are many firms eager and willing to assist school districts in this enterprise, and as a result we have a large complex now of people who stand ready to take advantage of the narrowness of the categories and the need to make applications and the need frequently to raise matching funds, and also the need to wait until some kind of a decision has been made, and it is the nature of the beast, an application that is submitted and reviewed by somebody almost always is going to require some revision, so this adds to the paper work, the forms, the whole long, lengthy process, and the uncertainty of the whole thing. So they force Congress

and the rest of the Government, really , to play a sort of unnecessary role of a kind of national school board.

What we would like to do is to combine as many of the restrictive programs as we can into a few comprehensive grants. We would like to exchange the current rigidity for a flexible system which would lean much more toward a check-writing operation by the Federal Government and a freedom of choice by the States and local school districts, and we would like to particularly let them know ahead of time, a year ahead of time, how much Federal funding they were getting, for what purposes, so they could do some far more intelligent planning than the games that have to be played now in trying to guess when and where the Federal funds will arrive and in what amounts.

It is very difficult, of course, for any local school district or any group that has to plan starting with a family. If it doesn't have any idea what its resources are going to be or when they are going to come in, and there isn't any real benefit in many of the narrownesses of these categories, principal benefit seeming to be or the principal argument in their favor seeming to be that they are in place, they have been in place, they represent some significant work of some subcommittee's oversight problems and therefore they shouldn't be reduced or altered or changed in any way.

And what we would like to do, of course, is to

consolidate and we would also like to get our forward funding started. This 1974-1975 school year we have indicated in the budget and set aside the funds for a request for a supplemental appropriation of $2.85 billion and, of course, we need the necessary authorizing legislation first. Once we get that, school systems would know how much Federal aid they will receive before the coming fall, and that would add predictably to Federal aid, it would add to its usefulness. They would also know if we can get it a year ahead of time, how much they would secure for the following school year, and once that cycle is established, we hope we could get away from the uncertainty that has plagued the system for so long.

The feeling we have with respect to the pending legislation, I think, is well known. We do favor the House version over the Senate version because of a number of different problems that are caused by the Senate bill.

In the first place we have got 14 separate new Federal Education bureaucracies and a very rigid bureaucratic structure that would be legislated and forced into the permanent administration of educational programs if the Senate bill should prevail. The whole attempt of trying to reform and streamline the structure of the educational apparatus that we work with here would be almost impossible with that, and this, of course, would make much more difficult local choice.

Also, the consolidation provisions in the Senate bill are quite illusory because they only take effect if at all when there has been more than a 100 percent funding of all existing programs and consolidation on top of that is a little hard to imagine and a little harder to work with.

On the post-secondary educational level, again we believe that we should have, as we have said, equity and predictability and maximum choice and these would come primarily through an improved and far fairer student aid program that would first of all expand the Basic Opportunity Grants Program which was begun last year with a tenth of the money we requested from the Congress and we would hope that this program could also be backed up with low interest loans, guaranteed loans by the Government, work study for a total budget request of more than $1.9 billion, almost $2 billion, which would quadruple the amount of about five years ago.

This would be a shift in Federal policy from providing the schools with the scholarship funds and this would entitle the funds running to the students themselves. Students can apply to the institution of their choice and not be biased in the direction of the institution which they think may award them the most Federal funds. We think a great deal more money under this program would go for the exact purpose of student aid if we siphon it through an institution. We have found that a certain amount, and I say this not in any

sense critically, but inevitably a certain amount is siphoned off for administration and overhead and salaries and things of that kind, so it does divert away from the actual funding of the student.

The student aid program would also work in the direction of equalizing the resources available to the student from families with unequal income, and it would have a uniform application, and it would apply to students in like financial circumstances regardless of where they live, regardless of what college they would want to attend and other matters of that kind. Greater amounts, greater choice would be afforded if the students wish to have a higher cost education up to certain limits, and we would also have in addition to the basic grant program, we would have a series of additional programs that would be of substantial assistance to the students from the middle income families where educational opportunities are being found very difficult to come by because of the rapid increases in costs that are taking place in all of these educational institutions.

With the research aspect of our work -- finding out what works best in education -- we believe that this is a prime Federal function and that it would improve the opportunity for everyone. I think it would increase the alternatives among which teachers and students could choose and we are, of course, committed to developing the research capacity

of the National Institute of Education, and you will hear from Dr. Glenn later today in more detail about that.

We need, really, to know what teaching methods are the most effective, what are the methods that enable children to learn more effectively, and a number of other questions that need to be explored. We have run into here a series of rather mysterious opposition to this entire program in the Congress and this is a source of considerable concern because we think this is not only a prime Federal function but an extraordinarily important function.

We are also testing new education technology - - - satellite communication and proposed solutions to local funding issues, such as educational vouchers which would permit parents to enroll children in the school of their choice, and a number of other experiments that we think would be difficult for individual school districts to carry out, but which we think are properly tested and attempted to be demonstrated by the Federal Government and then have the results disseminated around the country for those districts which might wish to take advantage of them.

We are not seeking to install any kind of full-time Federal hand on the pupil's shoulder. We are seeking, rather, to intervene selectively -- at least at those critical times and points where Federal aid can effectively reduce inequality of education.

The Federal government performing that national priority role, the bulk of the daily effort should be left to the talents and energies of the committed people on the local educational scene -- as we must, in the end, do anyway. That has been the program and procedure thus far.

It has been the policy, and we think it should continue to be the policy, just as we think there are certain areas where the Federal government can be of major assistance, where the Federal government should intervene and should help.

But we do think that the local school districts should spend their money on their priority programs. We think they know their priorities far better than we do here.

All this would mean that the Nation's students, who after all are the chief beneficiaries or should be, will, therefore, have a greater choice and opportunity to seek post-high school education, and that can be done primarily if the basic Opportunity Grants program is fully funded and we think children will have a substantial advantage if the National Institute of Education fulfills its promise of discovering through research how best children lean, and how best to teach them.

I would be delighted to take some of your questions.

(A question from the floor.)

SECRETARY WEINBERGER: The question is, what do I

think of Representative Bolling's selection of the education aspects of the Labor Committee be separated and set up as a separate committee?

I guess it isn't fair to say I would rather hesitate to comment on Congressional procedures because I do so frequently, but I probably should hesitate to comment on Congressional reform questions. I don't have any fixed view of whether that would improve the opportunities for the Congress to consider the measures or not. I would think that more, if I might say so, of a change of basic attitude and a willingness to face with considerably more boldness than has been exhibited in the past recommendations for change, including stopping some things that are being done, in order to free some funds to start something new, would be more useful an approach, but I don't have any particular reaction as to whether the process would be improved by the separation of the committees but maybe the Undersecretary has.

QUESTION: On your desk for sometime were proposed regulations for Title IX, 1972, which bans sex discrimination in schools, not only in athletic programs. Are you going to sign that?

SECRETARY WEINBERGER: I am going to sign some regulations when they have been redrafted in accordance with principles that we believe should be applied to those regulations.

QUESTION: What is the matter with those?

SECRETARY WEINBERGER: What is the matter with what?

QUESTION: With the regulations as they stood when they were on your desk?

SECRETARY WEINBERGER: You are talking about a first draft and usually there is a great deal the matter with a first draft because the first draft was at least, as far as I was concerned, a draft I had not had an opportunity to review prior to the time it arrived. After it arrived I had the opportunity to review it and did, and as is the case with almost all first drafts, including first drafts of proposed speeches, I have suggested some revisions and others have suggested other revisions and the process is still proceeding. But we will have the Title IX regulations signed and published and the opportunity for comment which incidentally has already started informally, expanded.

QUESTION: Do you think they will be ready for the next school year that starts in September?

SECRETARY WEINBERGER: I would hope so.

QUESTION: Mr. Secretary, would either the House approved three-year extension, unchanged, of the Impact Aid program or an education bill whose Title I aspects hew pretty closely to the Senate version warrant your recommendation of a Presidential veto?

SECRETARY WEINBERGER: Well, we have said that the

House bill, while missing by quit a bit the mark that we would like to have achieved, would nevertheless, in the interests of getting something done, and because it does have some marked improvements which Undersecretary Carlucci was able to negotiate in a very skilled manner with the Committee, that this would be acceptable in the form in which it passed the House.

I have also said, and I don't think -- I think several others have said that if the Senate version in its present form should reach the President's desk I would have no hesitancy in recommending a veto. There is a great deal more wrong with the Senate version that I had just the brief opportunity to outline.

The Senate version funds a category "C" type of Impact Aid and a category "C" type of Impact Aid which has never been funded before, that the important determining factor in whether there should be Federal aid to education is not whether your parents live on a Federal reservation or whether they work for the Federal government, but whether they live in Federally assisted housing, and there is almost nobody who doesn't live in Federally assisted housing, so you have lost completely any kind of focus if that would be the funding. So I would have no hesitancy in recommending a veto of the Senate bill as it stands now.

My understanding is that the House bill, as it has

passed the House is a bill that could be recommended.

MR. CARLUCCI: I would agree with that. The Senate Title I formula is no change at all.

QUESTION: Are the Trotter and Bell appointments to be announced today, and if not, why the delay?

SECRETARY WEINBERGER: There isn't any particular delay, and we have hopes that we may be able to conclude an announcement on the important subject of the positions, highest positions in the educational establishment, very shortly.

QUESTION: Will you confirm those names?

SECRETARY WEINBERGER: I am not confirming anything until we can get an announcement made and, anyway, I hadn't even called on that hand.

QUESTION: Is the Administration going to remain firm on its decision not to provide transportation money for busing in its desegregation assistance?

SECRETARY WEINBERGER: Well, the Administration supported the amendment that was adopted in the House by Congressman Esch, and I think that would represent the fair statement of the Administration's position on the subject.

QUESTION: You did not say anything about bi-lingual education?

SECRETARY WEINBERGER: We did say quite a lot about bi-lingual education before the Committee, and Secretary

Carlucci was the one who said it, and I think maybe he should answer that.

MR. CARLUCCI: In terms of bi-lingual education we find the House provision, which is the section of Title VII, acceptable. The Senate provision would really go to full cultural pluralism and I don't know how the local school districts could handle that. In addition, we have, as you perhaps know, agreed to submit a budget amendment in effect doubling the funding for Title VII and adding some money in the compliance area and in the research area in bi-lingual education. This results, at least partially, from the Lau decision.

QUESTION: Who will have the responsibility, the teacher or the student in the bi-lingual program as to what they learn

SECRETARY WEINBERGER: Our position is that the determination of what kind of a bi-lingual program should take place in an individual would would be up to the people in that school. We would have in our Civil Rights Division overall responsibility for seeing that that particular bi-lingual program met the criteria laid down by the Supreme Court in Lau vs. Nichols.

QUESTION: Is the President going to sign H.R. 122537

MR. CARLUCCI: The Tydings Amendment.

SECRETARY WEINBERGER: Yes.

QUESTION: He is going to sign it?

MR. CARLUCCI: We can't say yes or no. The Secretary has recommended that it be signed.

SECRETARY WEINBERGER: We think that will be signed. We are also seeking a bill which will enable us to spend the Basic Opportunity Grants money beyond this fiscal year, which is somewhat the same kind of problem as the Tydings Amendment.

QUESTION: On a more general note, could you say something about the attitude of the Administration toward the multiplying as against the dwindling number of private church-related schools and colleges?

SECRETARY WEINBERGER: Maybe I don't quite get the thrust of your question. It is with respect to the Administration's opinion or views as to attempt to aid the private?

QUESTION: To aid the public supported as against the private supported?

SECRETARY WEINBERGER: Well, our proposals, I hope, would be clear with respect to the public schools, because the section of Education Act proposals and the budget figures and all the other programs are, I would hope, self-evident at this point. With respect to the private schools, the Administration's commitment to try to solve the various constitutional questions involved in assistance to these schools and church oriented schools, that commitment remains firm and the attempt to solve the problem continues. We haven't

lost any of the commitment that the President expressed last year as to the importance of doing this or the reasons for it. The desire to have variety and differences within the educational system so that commitment remains firm. The constitutional problems remain also very difficult to solve because various decisions of the Court indicate that attempts that have been made by various states, for the most part, are found to be outside the permissible limits of Constitutional authority. We do have some that have been approved, Title I contains some additional assistance. Some of the voucher experiments look in those directions. We are trying, but the Constitutional problems involved are substantial. The commitment to try and be of assistance to the schools has not been weakened in any way and the commitment with respect to the public schools I think is clear and I hope --

QUESTION: Mr. Secretary, there is a growing thought throughout the country that only the very rich and the very poor are going to have the educational benefits from now on, and the middle income group is going to have to pay the freight?

SECRETARY WEINBERGER: You are speaking of post-secondary education?

QUESTION: Yes, higher education. In your proposal or in your thinking, are you giving consideration whether there ought to be a tax relief or a low student loan program

because the middle income people are really getting it in the neck?

SECRETARY WEINBERGER: No, we have no quarrel with that at all. It is true that with the costs of college education rising as rapidly as they are, even some proposals that one of the ways to handle this is to increase the tuition even more in public schools, that there is a very substantial burden being created for middle income families. In many ways it is comparable to the health problems, and one of the reasons we are so anxious to have health insurance adopted is again because the very rich and the very poor are able to do something about these problems. All the rest of us in the middle are having some difficulties so that is why we do feel that in addition to the BOGs which are designed for low income groups, that there has to be a middle income program. But again, Undersecretary Carlucci has testified two or three times on the kind of middle income aid and has been instrumental in having some of these inserted into programs that are moving through the Congress. So I think he should detail those.

MR. CARLUCCI: While the Tydings Amendment proposal is before the President, we regard that and its liberalization of the guaranteed program, as a temporary measure. We have a more far-reaching proposal which we have presented to the Congress on guaranteed student loans which we think would make the loans much more readily available to the middle income

student than the present program. In essence, the proposal would move away from the subsidized loan concept and put the subsidy for the low income student in the BOGs grant, and once you free bankers of the responsibility of worrying about the means tested subsidy, we think the funds would begin to flow more readily. In addition we would up the loan ceiling from $10,000 to $25,000, have greater latitude in the administrative margin that we would allow the bankers to try to get the guaranteed student loan money flowing more readily to the middle income students.

QUESTION: Mr. Secretary, you also said nothing in your remarks about the "super whiz kids", the gifted students. Do you plan anything, does the Government plan anything for them?

SECRETARY WEINBERGER: Yes, my remarks were intended to be mercifully short, and I could have occupied the entire time of the seminar if we covered everything we hope to do. But we do have a very great interest in the gifted children, and in the need for developing programs to utilize their time and keep them free from the boredom that sometimes afflicts children in this category in a regular school classroom and to not only utilize but develop to the fullest the potential that is in every child, particularly gifted children. We are working on programs specifically for this point. Senator Javits has been a leader on the legislative side of these

matters and we are working with him as well as within our own Office of Education to develop and to improve the special training of the gifted, the identification of these children and recommend programs and curriculums that could be applied by the schools throughout the country if they wish to do so. It is a very important point.

QUESTION: What kind of things are you thinking about?

SECRETARY WEINBERGER: Well, we are thinking about the identification. We are thinking about separate curriculum or curriculum they could pursue, while others in the classroom are pursuing the standard curriculum. We think it is important certainly to mix for at least a portion of the school day those children who have been identified as having special gifts and we think it is very important also that the gift rebound to the benefit of the entire student body, if that can be done.

We are also not at the stage at this point of recommending a program with specific funding, but we do have a number of different demonstrations and tests in mind because I think it is one of the -- it is certainly a part, a big part of the great national resource that all school children are -- and it is very important not to waste it or plunder it or discourage this type of --

QUESTION: Is there any particular sentiment in the

Congress to fund these programs?

SECRETARY WEINBERGER: I haven't encountered any. We haven't had any formal proposals that have moved very, very far. Senator Javits has put in a generalized proposal and I think he has been joined by one or two members in the House. It has been, I think, of particular priority in the Congress but it is clearly a priority as far as our work is concerned and I am hopeful that we might get something that would be very useful and could be beneficial not only to these children but to others with whom they come in contact. As I said, we are not at the stage of recommending some specific funding for demonstrations or pilots or that kind of thing, but we are doing a considerable amount of work within the Department,- - within our existing authorities, expect to continue that, expect to continue working with Senator Javits, and I would like to see something come of this because I think it is an important field.

MR. CARLUCCI: Title III money can be used.

QUESTION: I believe we are overlooking a very, very important subject, Mr. Secretary. I wonder if you have any statistics on the percentage of children, especially, we are speaking of youngsters who had had major surgery, operations for cleft palates, soft cleft palates, hard cleft palates and I would not call them handicapped after they are successful surgery, and then when they are ready to enter in the

schools at the beginning age, do you now have a program for speech therapy and not to send them into any institution for the handicapped child because they are not handicapped, which this has been going on in the past. And the children that had the successful operations for hard cleft palantes or the soft cleft palantes were overlooked and denied their speech therapy training at the schools when they went into the elementary schools and all the way into the high schools. This is a fact that has happened and I am wondering now what the condition and situation is now. I hope that these children who had these types of operations are being considered for speech training. There had been children that had these operations in Hollywood High School and because they were not a child of a person who was movie star and they got their drama training in the schools, and the ones that had the operations were denied that speech therapy.

SECRETARY WEINBERGER: Well, my inability to answer you in specific detail doesn't denote any lack of concern on my part or the Department's part, and I gather from a hopeful signal from one of our technical experts that we will be able to have an answer.

MR. MATTHEIS: To the best of our knowledge there would not be any of these children who would be institutionalized because of it although there could be instances across the country. On the other hand, they certainly would be

supportal in various programs of speech therapy, speech correction, and so on, in the regular classroom setting almost entirely. The situation you present, I think, would be a very extraordinary case.

QUESTION: It has been, it has happened.

MR. MATTHEIS: We don't feel that would be the excepted practice.

SECRETARY WEINBERGER: That is Duane Mattheis.

QUESTION: Secretary Weinberger, you stress strongly that education is a real priority for the Nixon Administration, but in fiscal '75 the net increase in the Department of Defense budget is more than the total amount given to the Office of Education for pre-school through post-secondary. Perhaps I misunderstand.

SECRETARY WEINBERGER: Well, I think you do. First of all, let me say that without a strong defense we would not have any public schools or private schools, so we will start with that. And then let's make a somewhat more meaningful comparison. We don't have any, fortunately, private or state or local armies in the United States, so we have a difference in functions and a different division in intergovernmental responsibility. As far as the Federal commitment to education is concerned, we have almost doubled since 1969 and we have an extra, particularly large amount in 1974 which some people have identified only from the point of view that it appears

there is a decline in '75 and the extra large amount in '74, of course, is for the forward funding that we have much hope will be granted by the Congress. But overall in the budget figures since 1969 to 1975 there has been almost a doubling and we do have, of course, the difference in Federal functions with respect to education and with respect to defense.

QUESTION: Getting back to the House and Senate Bills, were you suggesting before that the House bill had reached the outer limits of acceptibility for the Administration and any compromising compromise with the Congress would run the risk of getting a Presidential veto?

SECRETARY WEINBERGER: It is a little difficult to be quite that rigid with respect to any of these matters. It is extremely important that an acceptable bill that contains the basic principles that I tried to outline is available and before the President prior to June 30. I don't feel that the House bill is a tremendous model that should be held up to the nation, but it is a bill that can be signed. The Senate bill is very clearly, in my opinion, a bill that cannot be signed. I would hope that ultimate wisdom would prevail and out of the conference would come something better than the House bill, but that is essentially what I think should be said about it at this time.

QUESTION: You noted that the Federal Government paid something less than 10 percent for the cost of education?

SECRETARY WEINBERGER: Total, yes.

QUESTION: Does that seem to you to be a satisfactory Federal percentage, do you see any realistic hope for it increasing?

SECRETARY WEINBERGER: To my mind that represents a satisfactory percentage. I am not so concerned with percentage or portions of the GNP,or whether it is bigger than Defense,as I am that I think these figures enable local governments and states and school districts and institutions of higher education to do their job and it seems to me that this is a proper allocation of the available Federal resources for that purpose.

QUESTION: Would you explain the unexpected withdrawl of support by the Office of Education for the Metropolitan Planning programs?

SECRETARY WEINBERGER: I don't think there has been any, but maybe someone from the Office of Education is here who would like to get into that.

MR. MATTHEIS: I believe the one referred to is the piece of legislation that was eliminated by the Congress and we strongly supported that it be included and made a special plea that it be continued included. The appropriation was eliminated and we had requested that there be an appropriation for that particular activity.

SECRETARY WEINBERGER: Let me interject one

additional point in response to the next to the last question.

Secretary Carlucci reminded me that the state governments, of course, are running very substantial surplusses as compared with the Federal government which is in far worse shape. And the other point that I think is never really brought out and should be is that some $640 million of general revenue sharing funds have already been apportioned for and use for local education by State and local governments, so this, I think, is an indication of additional Federal assistance of the kind that we think is particularly effective, free funds that can be used for any educational purpose that the States or local governments would like to use them for.

QUESTION: What is OES thinking on priority on career education?

SECRETARY WEINBERGER: Career education is still a very definite part of the Office of Education's work and we believe that there is a specific item in the budget that is designed to assist us in the development of that. And we again believe that the way in which we can help most here is to develop a number of different courses and a number of different factors about career education and present those to the school districts and indicate through them and through that work the importance and the priority that is attached to this. Career education was never designed to be a substitute for academic education or education of a more traditional nature, but it

was indicated and emphasized as being something that was important for schools to emphasize both in the makeup of their own curriculum and their presentation of it, and our work continues to be an attempt to develop the best methods of trying to do that for dissemination to the school districts. We consider it an important priority of the Federal government, one that should be and is being continued.

QUESTION: There has been much attention to programs for disadvantaged children, but the cities have never been able to replace the only and very unattractive buildings. Is there any hope that the Federal government will help on that problem?

SECRETARY WEINBERGER: Let me restate it, and correct me if I am wrong. This is a question with respect to the possibility of Federal assistance for replacement of dilapidated school buildings.

I think the answer to that again is general revenue sharing, because the general revenue sharing funds that are not available for education for local school districts can be used for capital improvements, and there has already been a significant use of those funds by local governments for capital improvements in the educational field. Somewhere in the neighborhood of $45 million out of the first few months' distribution of those funds. I don't know of any other program that is designed directly to assist in construction in local

school districts, but the availability of general revenue sharing funds for this purpose remains and is being use for that purpose.

QUESTION: Earlier this month Mr. Flood asked Mr. Ottina policy questions which he wasn't really able to get an answer to. Let's take one of these. What do you think should be the Federal role in equalizing per-pupil expenditures between states?

SECRETARY WEINBERGER: My feeling about the equalization problem is that it is primarily,both under the existing court decisions and generally,a matter that should be done within the State. I think that in the absence of any evidence that a State is not going to equalize --

QUESTION: I am sorry, sir, the question was between states.

SECRETARY WEINBERGER: In the absence of any evidence that a State is not going to equalize -- and there is a lower court decision in California last week directing the State to increase the degree of equalization within the State -- in the absence of any evidence that the State is going to do that, it would seem to me not proper for the Federal government -- in the absence of the evidence that the State is going to refuse to do that -- it would seem to be improper and unnecessary for the Federal government to order any kind of national equalization. I think that with the percentages that

we have been discussing, the greatest effect that will come from proper equalization is equalization within the State and most of the decisions. Serrano, and others, have gone to the point that there are educational disadvantages caused by reason of the fact that some counties or some school districts have a greater opportunity to raise property taxes or other funds for their school districts than other counties, and therefore there should be a recognition of this and there should be funds distributed. In California, again, for example, we have several counties where the Federal government owns almost the entire county in the form of National Forests or land of that kind, and there the State has recognized this and the State has adopted formulas that put a great deal more state money in an attempt to equalize the educational opportunities within those counties.

I think your major thrust for equalization should come from revisions of state laws and state formulas that recognize there are imbalances within the States and those should be equalized by allocation of State raised funds, and we may come in some States, although I am not necessarily advocating this, so some kind of statewide tax for the benefit of public education within that state. Again, I would prefer to leave it up to the States to do it, but to have an examination by the courts as is presently being done to see if that equalization process has been adequately carried out. Perhaps

after that if there is some evidence that States are refusing to do it, we could then look at the possibility of Federal intervention, but at this point I would oppose and not see as necessary or desirable any Federal effort to require eqalization on a national scale.

QUESTION: Mr. Secretary, do you envision the basic student grants as taking the place of all institutional aid in higher education eventually?

SECRETARY WEINBERGER: You are including loans and all of that?

Not at all, no. I think there is some room for some institutional aid in certain specific cases. I don't like to be doctrinarian about this and we are continuing institutional aid with respect to the additional training or maintaining the same amount of aid with respect to doctors or other areas. I think there are certain areas where we can see some desirability, or some necessity, for securing a desired result by institutional aid, but basically, generally speaking, I think we get much greater student assistance if we give the dollars to the student. Let him make his own choice, let the institutions continue to apply their own admissions standards, let them, if you will, compete with each other -- which I think is a bad thing for students -- and let the student be able to pick the special needs he may have in mind or the special kind of training he wants and not have the

situation where a student will apply to "X" college because that college happens to have more student aid available to it to disburse and this would skew this choice in an undesirable way. So generally speaking, I would prefer greatly a much greater emphasis and use of student aid, individual student aid rather than institutional aid but there are some specialized situations, certain specialties, certain situations where only a few schools can provide particular kinds of necessary nationally needed skills where I would not oppose institutional aid. And developing institutions as Secretary Carlucci reminds me, of course, is an area where we have not only funded but increased the funding by something over $100 million this year.

QUESTION: Will students currently receiving aid from programs that are being phased out, like National Defense loans, Educational Opportunity Grants, will they be guaranteed the same amount or close to the same amount?

SECRETARY WEINBERGER: From the individual student who is getting an allocation from a program that is being phased out?

QUESTION: Yes, would he be guaranteed.

SECRETARY WEINBERGER: Yes, because in all cases those students would fully qualify for the BOG program and I think that kind of assurance could be given.

MR. CARLUCCI: The NDA loan program has a revolving

fund that can be used to continue to provide assistance to those students but they would obviously have to meet the BOGs criteria to qualify for the BOGs loan.

QUESTION: Are there some students who would not qualify for the BOGs and now qualify for the loan?

MR. CARLUCCI: There conceivably could be, yes.

SECRETARY WEINBERGER: The phasing out of these other student loan programs is a recommendation of the Administration.

One more question.

QUESTION: Mr. Secretary, you gave high priority to education for youth. However, in light of the developing interest in lifelong education, what are your priorities and plans for adult education and drop outs?

MR. CARLUCCI: The provisions of the Adult Education bill are being extended and we do intend to continue with our adult education programs. We think that some of the individual categories in those programs might well be consolidated, but we didn't receive a great receptivity on the Hill on that particular point, but programs in adult education will continue.

SECRETARY WEINBERGER: Thank you very much.

MR. HELM: We now have a 20 minute break until 10:30. At that time the Acting Assistant Secretary for Education, Mr. Saunders will be on, followed by Thomas K. Glennan, Jr., Director of the National Institute of Education

of NIA.

(Recess.)

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MR. HELM: The next speaker today is the one that several of you have complained about acting for so long. He is the Acting Assistant Secretary for Education, Charles Saunders, and he has been acting since November of '73. Nothing is every certain, but we anticipate that there will be an announcement of the appointment of several major education positions today at the White House, and if the announcements are made today at the White House as we anticipate, we'll hope to have the people drop by at 1:15 p.m. So there might be some announcements as to new appointments.

At long last, Charlie Saunders will go maybe. We've been pulling for that. But if all of this takes place, at 1:15 p.m. we will have whoever is announced come on by, and if no one is announced then no one will come by, but we will get geared up.

Charlie has been acting since November of 1973, and normally he has been acting pretty well. In this post he is both the chief spokesman for the Education Division, which is made up of both the Office of Education and National Institute of Education. He was Deputy Assistant Secretary for Legislation in 1971. And in 1957 he started on the Hill as a Legislative Assistant to the late Senator Smith of New Jersey. In between these, Charlie spent eight years at Brookings Institution, and he has written books on education

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and training there. He has been an elected member of the Board of Education in Maryland.

Charlie will now tell us all about how to act since November, and what else he plans to do.

MR. SAUNDERS: That is, Lou, I am not even a member of the school board any more.

MR. HELM: I am going to go over here and make a few phone calls.

MR. SAUNDERS: I wish you would. Sometimes they tell you pretty subtlely around this place.

I love this Government terminology, though. After six or seven months of acting, I look forward to going back to my normal posture of being totally inert. I do have a statement in your packet pointing out some of the new directions, the high priorities for the Education Division at H.E.W. and I am not going to walk you all the way through that straight. I would like to just mention a couple things in passing.

Some of the priorities have already been touched on in the Secretary's discussion, and the question period earlier.

Career Education, for example. On page two of my statement there is a discussion of what is already being done in the Office of Education, and N.I.E., which has a substantial research effort underway in career education. And I assume Tom Glennan will be getting into that during his

portion of the program immediately following me.

I think also the issue or the question about life-long learning, one of the last ones asked the Secretary reminds me this is certainly one of the prime areas of attention for the new Fund for Post Secondary Education. And Virginia Smith, the Director of the fund is here and I hope we will have some questions on the fund. It is because I think that is really one of the most exciting developments on the Federal scene in education in the last year or two.

So that it is a rather modest new program, but it is a program which I think is very significant and is one which has already won the respect and attention of the higher education community.

So I think I would appreciate the chance to talk more about that.

At the conclusion of my statement, I deliberately left until last the priority of research, because that is so clearly among the highest, and certainly among the foremost of our priorities. And Tom Glennan, if you haven't already seen his statement in your packet, I think it is a very important discussion and a very disturbing discussion of the current state of affairs in an effort to mount a meaningful research program in education.

So I look forward to your opportunity to get into that question with Tom.

I would just like to restrict my preliminary comments to trying to knit a few themes together here. The Secretary has spoken about equity and the need for reform in education programs. One theme that runs through all our efforts is the need to rationalize the system. It is a system which has grown helter-skelter over a 15 or 20-year period. It isn't very rational and that is not saying anything necessarily -- that is not making any criticism of anyone in particular. It is just the way the system has grown. And we have reached a point, we have long since reached a point where it is necessary, it is vital to simplify that system so that Federal aid can be provided more effectively with less red tape.

Now, some people, it seems to me, feel this is an idea that we have dreamed up on our own, something that has just come out of the blue and it is a lot of rhetoric. And they question the substance of it.

I would just like to point out that the need to rationalize the system isn't something we discovered. I think it was in 1965 that the House Committee appointed a subcommittee under Edith Green to make a searching examination of the Office of Education. That committee reported in 1967 and the report of Edith Green and Al Quie, under their joint signatures, expressed serious concern about the proliferation of education programs, the burgeoning of red

tape, and expressed very serious doubt about the continued effectiveness of Federal programs as long as the categorical system which was then in effect was simply sustained and proliferated. They called for a major simplification. They were among the voices crying in the wilderness at that point.

As I say, their report came out in 1967. In 1968, actually before this administration came into office, in the last year or year-and-a-half of the Johnson Administration, the Office of Education did a very great amount of work on grants consolidation. It was the view of the office at that time that things had reached a point where there is a very serious need to simplify the whole structure of Federal aid, particularly in the field of elementary and secondary education. We inherited that work. We added to it.

And in 1971 we made our first proposals for reform and simplification of the structure of elementary and secondary education.

As another footnote to the way this whole thing has developed, I think it was in early 1971 that there was a Syracuse Research Corporation Report to the Congress on the effect of Federal formula grant programs in elementary and secondary education. And with the single exception of Title I, it found that the effect of the distribution formulas in Federal grant programs was what the report called

a national disgrace because of the inequitable distribution of funds and the fact that these programs continued to exist, these programs distribute a disproportionate amount of Federal aid to areas which have the least need for it.

I think this gets again at the equity issue that the Secretary was talking about, the need to target money where the needs are greatest. And we feel it is a serious waste of Federal funds to do otherwise and that is why, for example, we have asked for changes in the College Library Program. And when Congress refused to accept our changes, we asked for no money for that particular program, because that law as it stands now simply distributes up to $5,000 to all college libraries across the country and Federal City College gets $5,000 and Harvard and MIT get $5,000. And I think this is an outrageous waste of public funds to just helter-skelter send out dribs and drabs of money on that basis.

This is one of the reasons, a matter of simple equity that we have asked for changes in existing school library programs, this is approximately the same

thing. There is no emphasis on need in that program. And in many states that money is just distributed to all school districts. And the wealthy suburban school districts get their Federal library funds. I guess it adds up to a dollar-and-a-half a kid,which is not going to help the school library, certainly not in the suburban schools, which soak up a lot of gravy.

Impact Aid. No relationship between the educational needs of a district and the amount of Federal property in a district.Or the land grant institution, aid to land grant institutions.

Here is a program which for a hundred years has been providing assistance which was very necessary in the early days, but at this point we have a situation where 72 institutions out of some more than 2,000 in the country, many of them among the leading institutions in the country, and the strongest institutions in the country are getting Federal assistance, and the rest of them are not. That is not a very equitable kind of arrangement.

Of course, this is the basis, the equity issue is the basis of our concerns with the need for changes in the Federal Title I Formula, the need to target money on the districts which have the largest proportions of disadvantaged students.

Now, the reform thrust of our programs is closely

interrelated with this. The grant consolidation effort, as I say, is partly for reasons of equity. So simplify this mass of Federal legislation that has developed since 1967. And in making these recommendations for grant consolidation sometimes people charge us with not having enough respect for a particular program or failing to recognize the importance of this narrow categorical program. And it isn't as if we have anything specifically against any categorical program, obviously. They all were passed originally to meet some kind of felt needs, but it is an accumulative problem. That is a very difficult thing to measure, but accumulatively the amount of red tape, Federal rules, regulations, guidelines, reporting requirements, auditing requirements which encumber each of these programs has long since reached a point where it is necessary to do whatever we can to simplify the whole system.

So that those monies when their Federal funds are received in local school systems can be put to better use to meet the needs as seen at the local level. And I think we are hopeful of a major breakthrough in this area with HR-69. That bill does contain substantial consolidation. It is not as much as we asked for by a long shot, but we do have the commitment of Chairman Perkins to have hearings on vocational education, which was committed, as you know, from HR-69. And they will be back in session this Spring,

we expect, considering further simplification of vocational programs. Right now there are nine different authorities.

So the need for simplication is not a matter of rhetoric. It is a very real problem. And I think it has also been charged that our consolidation efforts represent some kind of abandonment of priorities and nothing could be more false. We think we can deal with those national priorities much more effectively by simplifying the Federal approach, and instead of incumbering state and local educators with anywhere from ten to 15 different authorities, to apply for and receive funds for the disadvantaged, say in various respects, we would like to see them get one pot of money to deal with the disadvantaged; one pot of money for vocational education; one pot of money for the handicapped, and so forth. And let them develop their own plans to meet their own needs. That is the basic reason we are asking for grant consolidation. And the basic reason we are optimistic about the House bill is because it does for the first time make a substantial step forward in this area,which was first identified as an urgent educational need by Edith Green and Al Quie in their 1967 report.

I have mentioned the fund and the work of the Fund for the Improvement fo Postsecondary Education is stimulating new approaches in postsecondary. It is doing a great deal to increase access from all kinds of different

areas of the population, which have not traditionally received postsecondary education.

The NIE really, as I say in my statement, undergirds all our efforts in the sense that the research effort being mounted there is to try to provide the tested ideas to help school systems throughout the country improve their own educational process and performance.

So I think these themes of equity and reform are very much interrelated and I did want to just soliloquy on that for a little after listening to the Secretary's remarks and some of the questions. At that point I will just come to a halt and stop acting and try to answer your questions.

QUESTION: When the Federal Government has increased its spending, almost doubled since 1969, the percentage of the Federal share of total education spending has been going down, hasn't it, and isn't that your problem in Congress? All of these problems that are ticking off about impact aid, college funds and so forth have all met a roadblock in Congress. And why is it that Congress is listening to educational institutions rather than the Administration? And isn't it the fact that the percentage of the Federal commitment has been going down even though the total dollar amount has been going up?

MR. SAUNDERS: Not substantially. I think if you

look at the Federal contribution to elementary and secondary and higher education it is about the same, the percentage contribution -- I have some figures on that somewhere.

QUESTION: Look at the rise of inflation since 1959.

MR. SAUNDERS: I am not sure what your question is. It drives at the issue of this Administration's support of education?

QUESTION: No, elementary and secondary education. The major problem is there is not enough money in that new package.

MR. SAUNDERS: The figures I have here indicate that in fiscal 1969 the Federal share of the total bill for public elementary and secondary education was 8.1 percent. As of fiscal '74, the Federal share is 8.2 percent. I don't see any decrease.

QUESTION: How about '75?

MR. SAUNDERS: I don't have the '75 figures. We have to wait and see what is appropriated. I am talking about what has been appropriated.

QUESTION: Following up on that in the budget hearings, I think it was over 1972 funds that there has been actual decline if you count in the inflation.

MR. SAUNDERS: You are talking about specific programs?

QUESTION: I am talking about elementary and secondary education. What we discussed at that time. And I think those figures were fairly clear.

MR. SAUNDERS: It is true that we have asked for ending of specific programs, but we have also asked that more money be put into other areas. I think one of the difficult problems we have -- you know, there are great headlines and news stories around the country when we ask for a cut. It is rather difficult to get the same attention when Congress cuts our requests and I can cite you two billion dollars worth of cuts in our requests for Federal aid to education that Congress has made in the last two years. We have asked for two billion dollars more than Congress has given us. They have given us money in old programs that we want to phase out. They have done it in other ways. They refused to accept our recommendations for reform. But we have been asking for more money. We have asked for a billion dollars at one point for BOGs, for example. Our requests for NIE doubled what Congress gave us. Our request for emergency school aid in the first year was $500 million. Congress gave us $270 million.

In our first request for the Fund for the Improvement of Post Secondary Education which we knew then as the Foundation for Higher Education we asked for a hundred million. Congress gave us ten million.

So we have been cut repeatedly in any number of

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programs.

As I say, I can cite you two billion dollars worth of cuts in '73 and '74. So I think you have to look at both sides of the thing.

QUESTION: But Congress can cite the same things back saying the Administration is cutting NIE also.

MR. SAUNDERS: Look at that one. Our request for student aid, overall request is something like a $350 million increase for student aid all told.

QUESTION: $115 million goes to SEOG?

MR.SAUNDERS: It is a very substantial increase we are asking for. The Under Secretary remind you this morning we have to count General Revenue Sharing funds in. That is $670 million released to the states and used by the states for educational purposes. And that is just a preliminary report on the impact of revenue sharing. I think that is a valid thing for this Administration to claim as additional contribution to education. I don't think it is fair to leave that out of the accounting. So if you add that in, the revenue sharing component in, you have got figures which more than double over the five years of this Administration.

People tend to forget that education was running at a very level rate in the few years this Administration took office. President Johnson asked for a reduction of the

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education budget for two years in a row. I think my recollection of the figures is that President Johnson's budget request, his last four budget requests amounted to an increase for education totalling two or three percent.

And we had a 3.1 education budget when we took office. And now we are asking for 6.1 billion for the education division.

You add revenue sharing to that. There are an awful lot of other Federal programs where there have been very significant increases that have a very real impact on the educational world. The budget figures for total contributions and man power is $16 billion proposed outlays for '75.

So I think this is a myth we have here going that education spending is being cranked down. It depends on if you are talking about narrow categorical interests, yes.

As I say, look at the library programs. We are asking for no money for the libraries, but we are asking for the same $90 million for libraries to be put into the broader kind of grant consolidation program. That is what our budget shows.

QUESTION: I am heartened to hear the Secretary talk about the maze of red tape after I have been writing all these stories about how a 102 is solving all those problems.

MR. SAUNDERS: We are working on that in any number

of different ways.

QUESTION: Could you tell us about the negotiations going on in regard to changing the formula for aid to disadvantaged children?

As I understand it, you are trying to change the formula?

MR. SAUNDERS: We have said that we feel the formula for Title I in the House bill is reasonably satisfactory. It doesn't go as far as we would like.

For example, it doesn't target as much funds on urban schools as we would like.

QUESTION: What would you like?

MR. SAUNDERS: We have not devised a specific formula. We have been working with the committees, suggesting options, providing computer runs and all kinds of alternatives for them,and they have been selecting what they like among various options. As far as we are concerned, we think the House formula represents about as good a job as you can do of providing reasonable equity among all the states.

The Senate bill would simply in effect not have a formula change for the time being because they grandfather in or hold harmless all the states at a hundred percent of the current year. So we feel that is deferrent.

QUESTION: Why don't you have a formula of your own?

MR. SAUNDERS: Well, we did propose a formula initially a year-and-a-half ago and the committees have worked with it and indicated they wanted to see some changes, and we provided technical assistance for them,and it is a very lengthy process. I am certainly not saying that we have refused to give them our opinions. We have given them any number of different options for cranking greater concentration and greater equity into the formula. And I think they have made real progress.

QUESTION: There is one program under the direct responsibility of your office in which the Administration is proposing a very large cut in funding this year. And those of us who write about it don't have any rationale for why you are doing it.

MR. SAUNDERS: Emergency School Aid Act?

QUESTION: Precisely.

MR. SAUNDERS: I am glad you asked that question. I should say that -- well, to begin with I should say that since 1971 with the Emergency School Aid Program, which was subsequently followed by the Emergency School Aid Act, we have put something on the order of $700 million into aid for desegregation, something over $700 million. If you count assistance under Title IV of the Civil Rights Act since the mid-sixties the dollar figure for desegregation assistance goes up to over $800 million. That

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is approaching the magnitude we initially asked for a half billion dollars for emergency school aid.

The way the original authority was written, the emphasis was primarily on desegregation which had occurred under court order in the South. In effect, the first year or two of the program we are paying for past desegregation efforts. I think something like only 18 or 20 percent of the total amount of money under that program has gone for new desegregation. So that $75 million budget request represents our best estimate of what is needed to fund new desegregation proposals from districts around the country. And, of course, if new court decisions change the situation in any way, you have the Denver situation, of course, just the other week. And that may be appealed back to the Supreme Court, I don't know. But we are taking a look at it.

Right now, $75 million is our best estimate of the funds needed for new desegregation. We feel we have been helping to support additional costs of past desegregation for long enough and if, as I say, new developments in the courts indicate that there are substantial changes and new needs, we would certainly be prepared to submit a supplemental budget request.

But for now our budget request is $75 million for that program representing our best estimates of the needs for current desegregation.

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QUESTION: With regard to the ESAA that you just referred to, I understand there has been a battle over the racial questionnaire in New York City and other places. I have a letter here from you to Chancellor Anker York City in which you say the situation has been resolved at the moment, but you do not fully agree with many of the objections that the New York City staff had.

What were the areas of disagreements that you still do not agree with?

MR. SAUNDERS: I think that is sort of plowing ancient history at this point because we are moving forward with New York and negotiating with them. We feel it is very important to devise measures of changes over time in the racial attitude of pupils involved in emergency school aid programs. That is one of the purposes of the Act, to accomplish those kinds of changes. In our research efforts, we are trying to measure it. New York City raised objections to some specific questions, the way they were asked. That was their judgment. Those particular questions happen to have been developed in our efforts on the basis of very careful review by a panel of outside association scientists, experts in racial relations.

It had been tested in hundreds of school districts around the country. The test had been administered to thousands, something on the order of 30,000 school children

around the country without anyone calling to our attention any concerns or problems and as I say New York felt otherwise and they called it to our attention very forcefully. We were simply unable to come to agreement with them on modifications of the existing test. So at that point it seemed no sense in trying to go through with it and we dumped the test.

In my letter, which you referred to, it simply says we are still anxious to develop appropriate tests of racial attitudes. And we hope they will help us in that effort. And that effort is going on right now. And we are working with New York City.

QUESTION: Questions on bilingual education. The Secretary said that the Senate proposal would involve cultural pluralism and I infer that the House version you feel would not. But aren't there certain activities going on now under Title VII, which involve or are based on the idea of cultural pluralism?

MR. SAUNDERS: Very much so.

QUESTION: What is your thinking fundamentally about the purpose of the bilingual education?

MR. SAUNDERS: I don't think it is really accurate to describe the Secretary or Under Secretary as noting an elimination on the House bill. The House bill really extends existing programs. The Senate version has a broader multicultural dimension to it and in that sense, the House bill

is more limited simply because it extends what exists, but under existing authority we are working and funding multi-cultural projects and this is a high priority.

MR. MATTHEIS: The question we are trying to address and I think the Under Secretary just touched on this is what the Federal role ought to be in this entire area and in particular as it is trying to reflect the lau decision. We have been having people discussing this question. It is not fully determined at this juncture as the Under Secretary stated in his testimony before the Committee. I think that at this juncture our position would indicate that we are concentrating on the language facility area more than the others, not to determine that that is where it is going to end up. And I don't think that is a question of parts of the legislation or anything, but there obviously is going to be a new federal effort. We have already indicated an addition amount of money that is going to be requested to be placed in the entire area of bilingual education.

QUESTION: Would you discuss the dilemma in balancing what you call the equity of funds under formula grants versus proliferation of red tape under project grants, ESEA?

MR. SAUNDERS: Would I discuss it?

QUESTION: Just comment basically on it.

MR. SAUNDERS: I guess I am a little reluctant

because that sets me off on a speech pattern which can go for 45 minutes. When we went up to testify before Congress initially about three years ago, we took a set of the guidelines and regulations for all the programs we proposed for inclusion in grants consolidation. And there was a stack of papers that high. Some of them nice little printed jobs, others dirty multilith things. A stack of papers which as a unit, as a whole, is incomprehensible and obviously just totally inaccessible to any individual educator at the state or local level to such an extent that states and local communities have been hiring special staffs to weed their way through, find their way through the Federal maze.

When I was on the Montgomery Board of Education, we had two professionals spending full-time tracking Federal programs to grab off as much money as Montgomery County would and right there you have a problem because the wealthier districts like Montgomery County are able to hire that kind of special help. The poor districts who need it most are not able to get themselves that kind of assistance, but it was my observation that these two professionals had a very difficult time finding all the potentialities for possible support. Each one of these programs is liable to require different kinds of applications to different offices, different time tables, different funding arrangements. Some require matching funds, others don't. It is enormously complicated

as a process, and as I say accumulatively it reaches, it has long since reached the point where it represents a serious distortion of the effort of local school boards and local school systems in trying to deal with their own educational priorities.

I was on the Board of Trustees at Montgomery College one year when we actually figured we lost a great deal of money by putting in for Federal funds for construction assistance because we had to make changes in the building plans and this process went over and over and back and forth with the Federal authorities. And by the time we finally reached agreement as to what type of construction they were willing to agree to, the cost of construction had risen so that the building was much more expensive than we could build. We had to revise the whole branch and that meant we had to go back to the Federal Government again and file another application because the revisions were so expensive that we had to start all over. We would have saved a lot of time and money and effort if we had not tried for Federal aid in the first place.

This is true of a lot of marginal programs. The amount local districts get, even if they do qualify for the projects, is insignificant.

QUESTION: Don't the discretionary grants give you relatively more problems in that area than the formula

grants?

MR. SAUNDERS: Yes. There are a much larger number of discretionary project grants and that is where a lot of the proliferation exists.

QUESTION: Have there been suggestions of consolidating them within the Administration?

MR. SAUNDERS: I don't know where we went wrong. Secretary Richardson gave a speech and I can't remember, I guess it was in early Fall of 1970, to the school administrators or the Chief State School Officers in Miami floating a trial balloon. And he said suppose we take all Federal aid to the education, elementary education he was talking about, have one big pot for the formula grants and another big pot for the discretionary grants and the formula grants you just get it automatically to deal with those broad national priority areas, handicapped, disadvantaged, supporting services. The other pot will be free money for you to do whatever you want. And there was a tremendous response.

As I say, associations, the associations in elementary and secondary education for years have been writing resolutions calling for simplification of Federal programs and they applauded this speech by the Secretary, but then when we came up with some specific proposals, they had some concerns and were reluctant to -- well, one of the things we ran into was the old business of the devil you know is easier to deal

with than the devil you don't know. When it came right down to the crunch a lot of school systems took the attitude at least we are used to dealing with this complex mess right now. And we know approximately how to do it rather than support junking the whole thing for a new system when we don't know what that would really look like, we would prefer to have more money through the same old programs. That was their response the first year. It was the last spring and summer really when the education groups got going constructively and went to Congress and said in effect simplification is important and they all had different proposals, many of them identical to ours. A lot of them different, but in general what they told the House Committee in their testimony was that the kind of simplification, the objectives we were after was important and something that was supported by them. On that basis, the House, I think, acted.

QUESTION: The Secretary referred to mysterious opposition to education research in the Congress. And obviously he was referring to the cuts made by the Appropriations Committee in the NIE budget. You said you would like to talk more about cuts Congress makes. Can you discuss the reasons for that, your analysis to the reasons for that?

MR. SAUNDERS: Well, yes. You want my opinion. Tom can give you his official opinion when he gets on

in a couple minutes. NIE, I think, was the victim of an unfortunate political game that was played last year with the budget. You recall we had months and months of continuing resolutions of very uncertain funding pictures. The Congress was heading toward a budget which was substantially in excess of what we were asking for. We made a lot of announcements that if the budget came out that big it was going to be vetoed. The Appropriation committees, as they started their work, said now let's see what we can do to make sure that we can get out a bill that the President can't veto, and a very obvious option available to them, which they seized upon, was to keep in the excess money in the programs they liked and to cut the discretionary funds available to the administration. Salaries and expenses of the Secretary were cut 50 percent and discretionary funds in the Office of Education were cut 50 percent. And the NIE budget was cut 50 percent. And it was an across-the-board cut in all our discretionary programs. Purely part of a political game.

I think it is terribly unfortunate that one of the most important educational developments last decade happened to be the principal victim of that game.

So I think that is basically the reason it happened. Then they went on the Floor and they had to defend their recommendations and they looked back into the hearing record,

and they found on hindsight that our justification for NIE had been delivered to Congress at a time when we did not have the Research Advisory Council in operation. We could at that point no statements about the future program. We could make no definitive statements.

So they went on the Floor in the Senate and held up the hearing record and said you see, they don't even know what they are going to be doing in NIE. And that is the reason they cut it 50 percent. And I think we got a bad rap and that is my honest opinion.

QUESTION: Everybody, including the Administration, is hopeful they will get a bill out by the beginning of next fiscal year, but it is possible that it won't happen. What will the Administration do, will it support a one-year extension or what will be the position?

MR. SAUNDERS: I think it is too early to conjecture on that, Marlene. We are doing everything we can to try to get legislation before the end of the fiscal year.

I might add it becomes even more critical because I think our problems are going to be redoubled as far as advance funding as we go into the next year, again because of the political games being played. Appropriations committees historically don't like to go to the Floor with budgets which are suddenly doubled. And that advance funding

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means essentially that, that you have to put into one pot the '75 money and the '76 money. That is what they would have to do unless we can pick up a supplemental on the end of this year's budget when the Congress is not that concerned about keeping those figures as they are initially. The easy way to do it is get a supplemental at the tail-end of this year's budget and then fund for '76 in '75. And the longer that situation goes, the longer it takes Congress to act on extension of ESAP, the harder it is going to be to provide the kind of stability and certainty and greater flexibility in the use of greater funding which we are after in our budget request.

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MR. HELM: I think our next speaker has already been pretty well introduced. He is the first speaker of the National Institute of Education, Thomas K. Glennan, Jr.

Dr. Glennan received his Phd. in Economics from Stanford University. He will give you a status report on the first 18 months at the National Institute of Education, and tell us where he thinks it is going from here.

DR. GLENNAN: There is, I guess, in your folder, which they didn't distribute to me, but I assume it is there, a statement which I will paraphrase to some extent, but will try to get to questions as quickly as possible.

I have been asked to talk about the status of the National Institute and I think that status is in a very precarious position at the present time. I think the Institute is at a point, as an institution, and as the beginning of a positive force in education where it will either go or it may fall back into something that perhaps ought not to be continued.

I think in the year and a half that we have been in existence, a little bit more than a year that I have been with the Institute, we have made some steady progress in trying to create an institution. We began with approximately 100 people and today we have assembled a staff of about 400 people, 400 research and development specialists, support personnel and so forth.

We have begun to put together an agenda of research in consultation with a wide variety of people across this country, an agenda of research and development which can lead to the improvement of education for all, and we are trying to reach that illusive national priority of equal educational opportunity for all members of our society.

We have made some steady progress, the discretionary programs in educational research. I hope that we have really begun to make inroads on some of the traditional problems we have had at the Federal level in this area.

At the same time, of course, there have been very serious questions raised within the Congress -- Charlie has just alluded to many of those questions -- serious questions raised about the value of educational research and development at all, and about the appropriateness, desirability of the Federal role of the sort that has been envisioned in the legislation creating the Institute, the appropriateness of that role and its continuation.

There is a tendency, I think, on the part of the Congress -- has been a tendency on the part of the Congress -- to want to put resources directly into programs which affect children, and I think that is a natural tendency, but I think maybe a little bit shortsighted.

We are trying, I think, to argue, I am arguing that an investment in the future of education, in

improvements in the coming decade, as opposed to improvements in the next six or eight months is something that is worth doing and has every bit as much importance, every bit as much importance as the investments that we are making to try and overcome cancer or heart disease or cut down on the deaths on the Nation's highways.

Moreover, I would question -- I do question -- I have questioned for years the degree of knowledge and the degree of certainty that exists on the part of some people that we know how to improve education. I am convinced we know how to do better, there is no question about that. I am convinced that improvements could be made, and could be made without educational research and development, but I am also convinced that educational research and development is necessary to make very large changes, to get beyond some of the incremental improvements that can be made in the short-term and that is what we want to go on to.

In the course of our work over the past year, and in response in part to the Congressional concern, we attempted to establish a series of priority areas within the Institute on which we would concentrate most of our work. The first of these -- and we have never tried to put them in order, you have to talk about one of them first -- the first one I want to talk about is the priority of finding ways to teach all students in this society the essential skills that are necessary

to function, to succeed. And our first years, first several years, will put an emphasis on reading. In part, I suppose, because virtually everybody feels that reading and skills in communication are the most crucial skills for success or for functioning in our society.

We have a series of statistics that show that 18 million adults cannot read well enough to fill our applications for Medicaid or Social Security, or bank loans, or drivers' licenses, or any of a number of the forms that become a part of our public existence.

We do think that over the past decade a great deal of effort has been put into research and development that has permitted us to get at the early reading problems, the problems of sounding out and recognizing words. The majority of people in our society do go on to develop good comprehension, but there is a distressing number, perhaps 10 or 15 percent, who don't. At least our initial effort is to find where we can make the best contribution in this area, but we hope to deal with reading from the fourth to the sixth grade level particularly with an emphasis on comprehension.

A secondary priority concern has to do with the question of productivity. The expenditures on education have increased phenomenally over the past two decades, from, as I recall, $9 billion in 1950, to about $90 billion -- $96 billion I guess the Secretary said -- at the current time. A

substantial part of that is not due to inflation or not due to the increased number of students that are in the schools, but due to increased investments in education for each student.

The figures that I asked our staff to put together I think highlight the kind of concern we ought to have about productivity. In the past decade it is possible to look at the increase in investments, in educational investment in students over their lifetime in schools, in the average student coming out of school about ten years ago and how much was invested in his education by either himself or the public, and take the average student coming out of school today and through post-secondary experience, say, roughly the age of 21. In the past decade that has doubled, that has doubled. We are spending twice as much on the average student in real terms, taking out inflation.

That is why the expenditures on education have gone up so extensively as a proportion of our gross national product. We think that kind of a sustained growth can't be continued indefinitely and yet the demands for education are going to continue, are still very much upon us.

So we do need to worry about questions of productivity, questions of improving the use of resources through improved organization, through better use of technology, change, instructional patterns, through movement, to recurrent

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kinds of education, continuing kinds of education, non-traditional forms of education.

There are an enormous number of ways we hope to rather systematically explore that over a period of time.

One of our big problems, as you can imagine, is the question of what is output in education. How do you measure that, how do you ever tell whether you have increased productivity? We have only the crudest approximations on that and we hope to work heavily on that so we can tell if productivity is increased.

A third priority. We have tried to talk about improving the relevance of education to work. We don't believe the only reason for education is to provide good career opportunities and success in careers, but we do believe it is one of the major concerns of education and we are continuing and expanding a program in that area. It is now the largest single priority program area which will, I hope, over the coming years, provide program models of tested quality for new and innovative ways to improve the relationship between education and work.

A fourth area of immense concern, but alluded to a number of times in this briefing already, is the area of dealing with the first learning requirements, learning interests, schooling requirements of individual groups within our society. We know that kids learn in many different ways. We know that

different communities have different ideas about what education should do and should be, and we feel that the Institute must carry out programs that will help to identify the differences in learning styles, the differences in the interests of the communities, and provide programs, materials, program models, that will help local school districts to choose the best mix of programs for their students.

Included in this area will be our emerging work, just beginning work, really, in bi-lingual, bi-cultural education. Our work on the voucher program, the experimental school's program dealing with alternative schools and so forth.

Finally, our last area of priority deals with something that we have called local problem solving. We think that the Federal effort in education has tended to look at an R & D that is largely external to the schools, research labs, universities and so forth, and that is a fundamental flaw in the way we look at educational research and development.

If we look at the experience of industry, research results, development results find their way into practice because there are people on the practical side that are working to solve problems and have some desire to look toward research for part of the solution to these problems.

In some school systems we have the beginnings of local research and development capabilities or teacher centers where teachers are going about solving their problems but it

is not widespread. We don't have any clear models of how to go about doing that, so our beginning efforts here are to seek out first at the school building level, the teacher level, some exemplary practices to attempt to provide some resources, to document and improve those practices and to carry on an evaluation which will be unique in the sense it is not intended to produce written reports that sit on somebody's shelf.

It is an evaluation that is intended, and I must say we are not sure how to do this yet, it is intended to create a capacity to provide techical assistance and useful understanding to other school systems that might want to carry on similar kinds of activities.

The aim is over a period of time, obviously, to create an R & D system which not only consists of centers of excellence in higher education and laboratories in other non-profit organizations, but also has a distributed problem solving capability among the Nation's school districts.

Those are the five priority areas.

But we do carry activities on in other areas. One of the most important, is dissemination. Dissemination is the way in which we try to get the results of research, whether it is sponsored by ourselves or others in the Federal government or local and State levels, into the hands of people who can use that information. It has not been a very successful system up to

now.

There are some programs we can point to with some pride, but we have a long way to go. The importance we attach to that area is indicated by the fact that we are increasing the proportion of our resources going into dissemination from about 4 percent last year to about 11 percent in our fiscal '75 budget request. We are attempting to involve the States as a primary agency of dissemination and we will be working with various professional association and others to find people who have need for information.

We also have a fundamental research program, and I suppose in the broadest sense it is looking to finding out more about how kids learn, how schools decide what they teach, how schools organize themselves, and so forth. Fundamental research that over a long period of time builds a knowledge base, allows us to work on the practical problems that can make a difference in schools.

We are also beginning a policy research effort that focuses at providing the kind of information that the Executive and Congressional people need as they create legislation.

Well, we think we have got an exciting program. We think we are on our way. We still have a long way to go, but institutions are not built overnight. It is not clear that we have been able to convey that to the Congress with the sense of enthusiasm that I feel. I think Charlie's analysis

of last year is in a broad sense quite accurate.

There are probably a lot of other factors we can talk about, if you want, but I personally feel this is a terribly important national priority. One of the most legitimate of the Federal roles in education, and I hope that we can move forward with it.

Any questions?

QUESTION: Does NIE now offer any information to local systems? That is, if a local system wrote in a question to NIE now, such as what do we know about year-round school programs, could NIE answer that or would they say we are not in that business, we are doing research, go and look it up at the library?

DR. GLENNAN: We do our best not to do that. I wouldn't be surprised if you can't find people who may have gotten that if they happened to end up with an individual researcher. Year-round school is a good example. A couple of years ago we commissioned a synthesis of experience on year-round schools which was put into something we called a "prep report", and if somebody writes to us asking for information on year-round schools, the first thing they would get is that report. In addition to that if they want literature that exists on year-round schools, within limits we will do searches of our computer based information retrieval system which stores a great deal of educational research and make that

available to individuals. At a minimum we can suggest where they can get that done for a fee. Beyond that, in areas where we have personal competence, anybody that comes to us would have the opportunity to spend time with our staff. That, I think, is a part of our responsibility. I don't think you would find that we in fact have personal competence on the year-round school question. That would have been achieved outside of the Institute with institute funding.

Finally, I think we are working toward a situation in which we can help local people through the ERIC system which is our information system, to learn where other experts are. One of the most important ways of transmitting information is not finding a report or book but finding somebody whom you can talk to about it and a simple system that will give you a sense of where people are who are knowledgeable and can make information available to you is a very important thing.

So I don't know if that is a total answer but we certainly don't think of ourselves as just a research operation that tells people to go elsewhere to find the information at the library.

QUESTION: I am very happy to see that your first priority is reading. The various publishing houses that turn out reading programs may or in fact in some cases may not be founding their programs upon research. What plans do you have for coordinating your research with the ongoing research of

publishing houses that turn out the actual material that the children will be using.

DR. GLENNAN: We have tried throughout our initial planning activities to involve members of the Publishers Association, with the expectation that they would bring to our attention areas where they know the work is going on. That is a normal [illegible] of procedure for us, and in the initial planning conferences, as I say, there were representatives there. I am not under the impression that the publishing houses typically support research. In fact, they have made it clear to us from the beginning of our planning process that one of the reasons for their support for the Institute indeed that we carry out the kind of fundamental research that they would like to draw on, or have their authors drawn on, as we go further down the line, and that is what we would intend to do.

Of course, we do support some activities which ultimately involve publishers in our regional labs and centers, such as the Wisconsin Reading Activity, I think it is McGraw Hill, if I am not mistaken, and Swerl on the West Coast, and there is an interaction of the research community and the development community and the publishers that occurs.

QUESTION: You gave a fleeting reference to continuing education in your talk. It happens to be a pretty hot subject in many circles. I also understand that HEW is

chinking about reviewing the operations of local licensing agencies in professional circles to determine the efficiency of these agencies, and they are talking now about Professional and Peer Reviews, and you know the story. How far is this going? Right now it is in the health care field. Are you going to examine state licensing agencies as part of this continuing education field?

DR. GLENNAN: Part of the Institute's plans at the current time -- our interest in recurrent education -- have been preliminary so far. We did co-sponsor a conference with OCED last spring and there is a new volume that has just come out that results from those papers, a fairly esoteric volume by and large. We are trying within our educational work to understand where a research and development institution can make its contribution. The Fund, of course, has major responsibility for post-secondary education, demonstrations and some catalytic activities. OE would have the responsibility for it.

MR. SAUNDERS: I would say our role in the whole accreditation process is under study at the present time.

MR. MATTHEIS: A study was done for the Office of Education Brookings Institute. It is not completed yet. It is in the process of being completed and will be coming in and will receive reaction. It is an area of increasing concern to the Office of Education, that whole area of accreditation, whether

it be post-secondary institutions or the regional accreditting associations, and the criticism being leveled against them by various quarters. Also of concern is the entire area of proprietary schools and their accreditation.

We have been working very closely with the States encouraging them to accept increased responsibility. It is a very, very fluid problem at this juncture and is being worked on in many quarters. I don't think anything of any particular nature has been resolved; it is a problem.

I think another problem area that some of you people are familiar with has developed in the area of the guaranteed student loan program. Some of the pay-backs and some of the problems students have had with institutions in trying to secure education for which they were using loan dollars,

is just a very large problem that we are aware of. Dr. Muirhead will be here this afternoon and for some of the other details you might want to corner him on that.

QUESTION: It is my understanding that high education officials have said in effect to the states develop a PSOL program as you can and infer that if you do not establish one yourselves then we will have to do it for you?

DR. GLENNAN: High officials have been stated it in different ways. Why don't you wait until John Otttina is here this afternoon and ask him.

QUESTION: You have made note of the fact that

Congress doesn't seem to have any deep affection for R & D. Is half of NIE nothing at all?

DR. GLENNAN: I think we made the point we are at a very precarious stage.

QUESTION: If they are not going to fund the whole thing, would you just as soon they kill the whole thing?

DR. GLENNAN: Well, that's being a little strong. I will be very frank. We have attracted, I think, a superb staff, the beginnings of a superb staff. They are bright and I think pretty knowledgeable. I think anybody that can take the time to come in and spend some time in the Institute and we would be delighted to faciliate that, goes away with a feeling, hey, here are some people who are thoughtful, not out just concerned with their own ideas. I think that is the biggest asset we have got right now, but if the funds are cut so far back that the only thing we do is spend time figuring out how to cut back what we have as commitments and what we have tried to make into solid and good ongoing programs and not to think about new things, those kind of people are going to go elsewhere because there are other options. That is the problem, it seems to me, in a nutshell. My feeling is we deserve, we ought to have the funding we have asked for, and we will keep fighting for that. If they cut us back a little bit it is not going to be the end of the world, but if they cut us back to $75 million we are going to be in deep trouble.

QUESTION: You have a statement here that research indicates dramatic differences in the way children learn ranging from oral presentations, written text, and so forth, as though this was an unchangeable fact of existence, and you suggest that you are trying to find ways the schools can accommodate themselves to these differences. Are you doing anything in the light of finding ways in which these children can be taught to be more versatile in the ways they learn?

DR. GLENNAN: I guess you are asking whether we should accept the learning styles of the children as they are or try to find ways to change those learning styles.

QUESTION: Not necessarily one or the other. But there is no indication that you are doing research in the area that would help the child make his learning skills more versatile, which would, of course, give him an advantage the rest of his life rather than just letting him be as he is and let the schools change?

DR. GLENNAN: I am not an expert in any of the fields the Institute deals with. I am supposed to be a manager. My impression is that in fact what one is interested in doing is developing a variety of modes of learning, oral learning, or learning through the written word, or what have you. You want to try to get to them in ways where we can succeed from the beginning and move from there to develop other kinds of capacities. If we insist that the first approach of a learning

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task is of one sort without any sense of a child's relative capacities, you may end up with this demoralization of a child. I think the point you make is worthwhile and I would hope that our program does in fact deal with it.

QUESTION: Earlier you spoke about giving high priority to reading and there has been some research in the New York State Education Department recently which indicated that in schools which were comparable the successful school did better because of the rapport between teacher and pupil. Do you think such rapport is measureable, and if so, what research is going on in that field?

DR. GLENNAN: Well, certainly the term "rapport" is a very difficult term to define. I think that there are attempts in, say, the examinations of the follow-through programs to develop observational measures that do in fact try to measure in a very crude way the interaction between teacher and student and I guess I would propose at least as a first cut that the form of that interaction, who initiates it, or how distributive that initiative is, that is if both of them initiate it, would be a measure of what I would understand to be rapport. We do know on the basis of those first experiences with attempting to use classroom observations, we do know they are very crude and that programs that you and I would be able to as a first approximation go into a classroom and look at and say these are different, when you try to reduce that to a more quantitative

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term, if you will, it does not turn out to work very well. So that is an area needing real development, measures, observations, situational measures are needed for us to be able to describe better what goes on in the classroom. We have been much, much too crude in doing that up to now and that is why many say our evaluations have fallen very much short of the mark.

QUESTION. What are the prospects for funding of Constitutional voucher?

DR. GLENNAN: The question is what are the prospects for funding a Constitutional voucher project for aiding non-public schools.

The question of whether it is Constitutional, I guess, can only be decided by the courts ultimately. The issue that would have to be faced by HEW in deciding whether or not to create the opportunity for that test by providing resources for such a test is one of whether on the basis of our reading of the decisions that have recently been made, there is a sufficient chance that it would be found Constitutional, that is worth a try. That is an evaluation or a judgment that is currently under review within HEW and I really can't say what the probabilities are on the outcome. There are clearly grave Constitutional questions. It is not a cut and dried case. My own assessment is probably we are leaning toward its unconstitutionality. I am leaning toward

it. But the General Counsel is the one that finally makes that judgment.

QUESTION: You said that career education was one of the largest in the priority area . I understand that was a controversial subject. What are the traditional values of post-secondary education. There is fear in some academic circles that this is going to lead to a Camp Run Amuck. Is there a position in terms of that fear? The debate is going on.

DR. GLENNAN: I think it is fairly absurd that notion that somehow if one is dealing with the work world it is not humanistic in any sense. If you talk to some of these kids in some of these experience base programs it is very clear that their experience is far more humane in a work setting with the kind of attention and kind of interest that is there than anything they have been getting in school systems.

I think it is really unfortunate that we equate, somehow, vocational education or vocational training or skill training as somehow not humane. I don't think it has to be that way at all, and certainly we wouldn't want it to be something of that sort.

I think part of the controversy about it is that people are rather uncertain as to what it is, and that there is a continuing debate as to whether we want to define it very specifically or leave it sort of open as a national movement

without great specificity. We have, I think, essentially tried to duck that issue. We have said we are interested in three major classes of things. We are interested in understanding the relationship of education and work experience. We want to make sure that if people take off into this area that they understand the limitations that education has in dealing with many of the problems of getting into good jobs and progressing in good jobs.

There has been much too much tendency over the past decade to feel that somehow education can solve all problems by itself. So one of the things we feel is important is research that provides a context, provides some sensible limitations as well as the potential of education, so we get realistic answers.

The two other areas we are interested in is those kinds of activities within school systems and outside of school systems but generally what we feel lead to improved career access. Counselling, better curriculum, curriculum that provides a better understanding of career options.

We are very concerned with the questions of the stereotypes that are introduced into career, receptions of career opportunities by the materials used, the sex role stereotyping or any other kind of ethic role stereotyping or what have you. So that is the second major focus, and the third one has to do with career progression. How can education

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help to improve the progression of people within careers once they get started, and there, I think is where the continuing recurring education ideas come in, because the notion of a continuing education process with a moving in and out of school or educational activity seems to me to be an exciting way to facilitate that kind of progress.

QUESTION: I was glad we finally got reference to when you talk to kids. In your Research Committee how much input do you get from the customer we are dealing with? How much do you know, for example, and what processes have you worked out for finding out what kids feel, about disenchantment with the school, and what great changes they want?

DR. GLENNAN: The question is how much input do we have from kids in our program, what have we done to try to understand what they want.

Certainly, the level we are planning at, very little. I have children in school and I do talk to them a little bit about their schools, and I visited last week or the week before in Fairfax County a very interesting project and I did brief my son on his experience with it before he went. It was a very informal exercise, but in reality I think that formally it has been relatively low. I do think, though, that if you look at some of our career education activity and the evaluations that are done as part of the development process, the kids do have a fair role in that.

QUESTION: Beyond career education do you know, for example, how eager kids are today for courses in the political process, for example?

DR. GLENNAN: I guess we have not at this point in time, not yet at this point in time evolved a policy here in the Institute as to the degree with which we are going to become involved in curriculum development beyond those associated with the priorities I have already established. We do have some things we inherited. We have some art programs. We have some fairly advanced math programs and so forth. But the question about whether we should be into social studies curriculum development or what have you is an open one. We are trying to work with the Endowment for the Arts and the Endowment for the Humanities which more clearly are responsible there to see what our relative roles ought to be.

QUESTION: What conclusions can be reached from existing research on EO and NIE in terms of vouchers, and essentially what will be the practical impact of NIE programs over the next five years?

DR. GLENNAN: In terms of the voucher activities, it is still too early to understand all of what or much of what is important in coming out of Alum Rock which is the one voucher site. First a couple of limitations on what is coming out of Alum Rock. It is not in the usual voucher fanatic

sense a voucher program. It is a program that involves voucher-like activities but within the public school system and there are limitations on the numbers and new alternatives that can be created or the sources of those alternatives. It also is a program that has substantial increments of Federal funds that are associated with it, so it is difficult to disentangle the effects of that choice mechanism that is -here from the effects of those funds. With those as caveats, if you will, it appears that within those school systems that teachers have had opportunities for program development and for program control have seized those opportunities and found them very satisfactory.

It appears that parents have exercised to some modest degree a kind of degree I always thought it would be, 10 or 12 percent of them, the option of choosing a different school for their child. There has been some option for them to change in the middle of the year based upon, if you will, their negotiations with the teacher and I would like to believe the teacher has been able to say to the parent as well as the parent to the teacher, that we just are not making music together, so let's try something else.

The question there seems to be increased satisfaction and belief on the part of almost all of the participants within that thing that is a useful activity and a good activity. We don't have any effect that I know of on students'

performance, things like that. That is still to come.

That leads to the feeling that we do need one or two more sites anyway to begin to get a handle on a couple of issues. We have not fairly asked the question yet about some of the regulations or the importance of some of the regulations with respect to some of the pernicious effects voucher opponents felt would occur and I think we need to do that.

Perhaps more importantly, at least from my point of view, we have not dealt with the question of what happens if this kind of system is installed without lots of additional money and both of those are priorities on our future agenda.

The second question, I will give a couple of examples. I would hope that within the next five years that you would find that there are some materials available that have been widely used in schools and found very, very effective from the point of view of the kids and from the point of view of teachers and their parents. I think we do see some of that on what has been frequently referred to as the junk we inherited from OEO which I do not think is junk. There are some very exciting things done by the University of Wisconsin and University of Pittsburg. They are now into a program and expect to expand that to 2,000 schools next year. I would hope the experience base program in career education would lead to a number of communities being able to take on at lesser cost than we have had the building of a program in

which kids get real work experience in business settings, employer settings and that that has caught on an been done more effectively than the work study programs which I think have been quite effective.

QUESTION: Given the premise that education is preparation for something, what is it preparation for in your view?

DR. GLENNAN: I will give you a personal opinion. I don't believe it is my job to make that determination for the country. I think it is really preparation for a satisfying and rewarding life and that means that it gives you the skills that are necessary for you to function within the society to the best of your ability. It gives you, I hope it provides some cohesiveness, some sense of the meaning of our society so that we share some common values and can work together instead of working totally as individuals. But that is pretty general and as I say I think it presumptious of me to speak for the Institute in that regard.

Thank you very much.

MR. HELM: Before you leave, at this moment in the White House Press Office they are making two announcements on education appointments. The first announcement is of Ted Bell of Salt Lake City to be Commissioner of Education. And also, Virginia Trotter to be Assistant Secretary for Education. These are being announced in the White House Press

Office at this time. I have copies of the statements. They have been handed out there. I will be glad to make them available to you now. Hopefully at 1:15, as previously mentioned, the new nominees will be here in the room to say hello.

QUESTION: What about Mr. Ottina?

MR. HELM: John Ottina is going to take another position over at HEW, I understand.

QUESTION: It doesn't say when?

MR. HELM: The Secretary will say that.

QUESTION: Did you forget to announce that I will become the next Senior Administrator. My name is Veronica Adams. I am kidding now but I probably could be serious. Will you please ask the President to make me the next Senior Administrator because I stand for VA.

MR. HELM: Is there a second to the nomination?

We do have these press releases here and they will be available if anybody wants to pick them up.

(Whereupon, at 12:00 o'clock noon, the hearing was recessed to reconvene at 1:15 p.m.)

AFTERNOON SESSION

1:15 p.m.

MR. HELM: I would like to introduce our next speaker, but I am not going to use the same introduction that I used this morning. So, I will say that our next speaker is Secretary Weinberger.

SECRETARY WEINBERGER: It is a very nice and pleasant duty that I have now, which was slightly anticipated by some spoil sport this morning who did not wait until the proper time for the announcement this afternoon.

In any event, it is a great pleasure now that everything is official for me to be able to present to you three new nominees within the Department.

The first that I would like to present is Dr. Virginia Trotter, who has been nominated today by the President to be the Assistant Secretary for Education and whose name will be sent to the Senate for confirmation.

Dr. Trotter is, of course, the Vice Chancellor now for Academic Affairs at the University of Nebraska. She is also a Professor of Education and Family Resources in that institution.

From 1970 to 1972, she was Dean of the College of Economics. She was also Associate Dean of the College of Agriculture at the University of Nebraska.

It is not possible for her to take questions of the variety and depth that I was subjected to this morning not because of her inability to handle them, but because of the fact that she is going up for confirmation, and that requires a whole new outlook on life until the confirmation proceedings are completed.

All she can do this afternoon will be to say a few words that will not be in any way offensive to the United States Senate.

I am delighted to have the opportunity to present her to you now, Dr. Trotter.

DR. TROTTER: Thank you, Mr. Secretary.

I am delighted to have an opportunity to say hello to you. I am looking forward to meeting and working with you during the next year or two.

I am going to say that I have spent all of my career life in education, and I have a very strong feeling about the importance of what it means to the country. Again let me say that I hope very much to work with you closely. Thank you.

QUESTION: Mr. Secretary, you seem to express now, when she is coming up for confirmation, that she should not express her opinion.

SECRETARY WEINBERGER: I don't imply that at all. I say it. There is a long standing and inviolable tradition which has only been broken once, to my knowledge, by one of my collegues in the cabinet at the present time, and I don't think

we should encourage breaking it anymore.

The President has always been most explicit, and I agree fully, that nominees who are subject to confirmation should make their statements before the Senate Committee. This is a matter which is not only normal prudence, but one which the Senate appreciates and particularly requires.

All right, now we have another nominee within the Department of Health, Education, and Welfare, in the Office of Education, whom I would like to present to you under the same circumstances.

He is, of course, Dr. Terrel Bell, who is no stranger to you who have covered the Office of Education activities in Washington.

He is the superintendent of schools in the Salt Lake City area at the moment. He was an Associate Commissioner. He has been Deputy Commissioner. He has been Acting Commissioner of Education, and he has been superintendent of public instruction for the State of Utah. So he brings massive credentials to his office.

I would like to present him to you at this time.

DR. BELL: It is a pleasure to join the Administration again, and to join my colleagues, some of whom are here in the front rows, in the Office of Education.

I did have the opportunity to work in OE for two years back in 1970 and 1971, during the time that Sid Marland was

Commissioner.

So it will be a great pleasure to work in the Office of Education. It will be a great pleasure to join Secretary Weinberger's team, and I express my appreciation for this appointment and for this opportunity to be of service again on the national level.

Thank you very much.

SECRETARY WEINBERGER: Thank you very much, indeed.

We have another announcement that I want to make, and it concerns your next speaker, who has been assigned broader responsibility within HEW and whose appointment today as Assistant Secretary for Administration and Management is being announced.

Dr. Ottina has done a great job in every way as Commissioner of Education. We have a substantial number of concerns as to whether anybody who has done such a good job should be moved. We are only induced to take that step because of the quality of his replacement, who is available, and because of the strong need of the Department for very strong, very able, very dedicated administrative and management techniques. Under the policies that we have followed in the past year, it has become an extremely important and very necessary office to have filled by the very best available person.

So, I am delighted that we are able to announce this

triple play today and to have Dr. Ottina serve as Assistant Secretary for Administration and Management.

This is a position that does not require confirmation by the Senate, so feel free to pepper him with anything you wish.

I do want to say before we formally present Dr. Ottina to you, that the position that Sidney Marland vacated last fall to take the position in New York with the College Entrance Examination Board has been very able filled by Charles Saunders, who has served in an acting capacity with extreme loyalty and dedication and skill.

He has greatly eased and lightened all of our tasks by the skill with which he has discharged his duties. I am delighted that he is here today so that I can pay this public tribute to him, because it is one that is very much deserved. I am the one who is the most appreciative of his service, and I want to say this as publicly as I can.

Charles, I would like to have you stand and be recognized.

Dr. Ottina is here, and in his closing appearance as Commissioner of Education he is going to talk about student financial assistance. He will, I am sure, welcome your questions.

It is a great pleasure to introduce Dr. Ottina, who has served with great ability and skill in his position and who is on the threshold of very exciting activities as Assistant

Secretary for Administration and Management.

STATEMENT BY JOHN OTTINA
U.S. COMMISSIONER OF EDUCATION
U.S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

DR. OTTINA: Let me for a moment, before we speak about student aid, express something to you in the audience, and by you I mean not only the working press, which is here, but also the few members of the Office of Education staff.

The three years that I have been with HEW and the Office of Education have been, without doubt, the most interesting, challenging, broadening, and difficult experience that I have ever had.

I could for the next hour talk about what it has meant to me as a person to serve in my various capacities. But the one thing that has perhaps meant the most to me is the opportunity to meet and make many friends. I can look across this audience and say that I have worked with you and with your help.

To each and every one of you I say thank you for your help and your support. You have made my job a lot easier. Thank you very much.

Let me now talk about student financial aid. As I am sure you are aware, the Administration has for a number of years, since 1971, been very intent about trying to find a way to provide equal access and equal opportunity in higher or postsecondary education through student financial aid.

This stretches back to the message by the President on February 22, 1971, and came into real being with the passage of the Amendments of 1972, specifically in the Basic Educational Opportunity Grants.

As you know, this program has been funded for one year and has been in operation for one year and at the first-year level only. The second year has been funded but is not yet operational, because it is for students who enroll in the upcoming school year 1974-1975.

This school year will see the program expand to first and second-year students. The first year's program has been very difficult for a number of reasons -- late appropriations, difficulties in the completion of family contribution schedules, changes in the law, difficulties in providing forms early enough so that the children were still in school.

So, as we look at the first year of operation, it has not been totally successful. I think that next year, the year that we are talking about, starting in September, will be much better.

First of all, the appropriations level is not $122 million, but $475 million, and this will make the Basic Grant to each student much more attractive. We are way out in front of the schedule. Already we have in the hands of high school counselors and in many places throughout the land,

the forms for application by the students. As a matter of fact, as of last week we had already received 100,000 applications.

I think that this year will see the program move much more strongly, and we hope that the increased acceleration will continue for 1975 and on.

Let me remind you that in the budget we have asked for $1.3 billion for this program for funding students in all four years.

The second element of the student financial aid package has to do with another program, the Guaranteed Student Loan Program, which, during this last 12-month period, has also been a source of very deep concerns and problems.

Some of them are problems that are easy to explain, and some of them are problems that are most difficult to understand.

Clearly, I think, we can all point to the problems that we are all acquainted with, the increasing interest rates this country went through in the last year, the fact that the Congress changed the needs analysis once and perhaps twice during the year.

I think we can point to the fact that many lending institutions were concerned about equity. I think that we can point to the problems with Sallie Mae.

Now, there are other more subtle factors that have entered into the picture, but I think that those three or four

factors we can all agree on.

Clearly, the year that we have just passed has been a year in which the volume of loans that we had anticipated was not reached.

We will for the academic year 1974 show a decrease in Guaranteed Student Loans, a decrease that in percentage terms is less than we had earlier anticipated, but nevertheless a decrease.

As you are undoubtedly aware, some of the problems that I have cited we have tried to remedy by various steps, and our prospects for 1975 are brighter than our experience in 1974. I believe that the volume of loans will again achieve and surpass its early high water mark.

The last element in the area of student aid is the element that deals with Work-Study and Cooperative Education. As I am sure you recall, Work-Study is the one institutionally based program for which there has been in the last three years consistently a budget request.

The Administration believes very strongly that the Work-Study program provides a set of opportunities for the students and for the college, or postsecondary educational institution, that is unique and complementary to the general education program being offered.

Therefore, again, we have supported and requested

funding for this particular program.

We anticipate that we will be serving students also, through the Cooperative Education program, in developing associations between the world at large and the university.

In summary, then, the student financial aid package that is proposed by the Administration is basically these four pieces. With that, let me stop and ask for your questions on the matter of student aid, or anything that you would like to talk about.

QUESTION: How are you going to overcome the problem of banks that do not give outGuaranteed Student Loans, especially to women and minority groups? How are you going to overcome these problems?

DR. OTTINA: Let me very quickly point out that in terms of loss, the banks have very little to lose, because they are guaranteed by the Federal Government for the full amount plus interest.

QUESTION: But a lot of them will not give them out anyway.

DR. OTTINA: Yes, we noted that, too. Let me be sure, for the record, that everybody understands that it is the full amount of the loan plus interest that is guaranteed by the Federal Government.

Let me also mention that the problem you cited

is a combination of many things. One is, as I alluded to earlier, the yield on the paper that the banks are talking about.

I think, as you may have noted from our testimony, that we are beginning to better appreciate that a wider spread of yield is necessary to encourage banks to make that type of loan.

As we set the special allowance, which is the amount over and above the seven percent, which is set quarterly, we will be more conscious about the fact that the yield from the lender's point of view needs to be a wider spread than before.

Secondly, the President has asked the Secretary and us to try to bring in the lending community, to renew their interest in the program, to work with them to see if we can overcome some of the criticisms they have of the program.

Among the criticisms they have is the excessive paperwork involved. We will be very quickly looking at the paperwork problem from the lenders' point of view, to see if we can streamline, eliminate, or cut out portions of that, to make it a program which fits more into normal banking practice.

Therefore, we will eliminate not only paperwork, but eliminate some of the confusion that exists in the handling of certain materials which are different from what they are used to handling.

Next, we will be trying to work with Sallie Mae so

part of the problems of liquidity and reserve that the banks have can be overcome.

In that regard, perhaps we can find ways to change some of the regulatory aspects of the program which were in place prior to the contemplation of the Sallie Mae organization.

The banks have, until this past year, supported the program very well indeed and, as I pointed out, the level of support for this program is now $7 billion.

It would appear that if the President signs the bill that is on his desk now, and the banks do not have to get involved in the means test, they may very well go back.

Let me put this in number terms. We, at one time, were looking at what we thought might be a short-fall of 30 to 40 percent over prior years. Our short-fall looks more like 10 to 15 percent now. That is point one.

Secondly, the change in the $15,000 is, as you know, sitting on the President's desk now. Putting it back in the program is familiar in terms of the lending institutions and financial aid officers. I am sure that this will spur additional activity.

QUESTION: You say that the reason for that is the increased availability of loans. Congress has failed to see eye to eye with that for some time, and it is the students who

ultimately lose this battle.

I am sure that you know Congress is not about to settle for that again this year. At least that is what they have so stated.

DR. OTTINA: First of all, I am sure that you have heard the spokesman, or person for the Administration, say many times that the budget is the only vehicle that the President has in terms of trying to enunciate the policies of funding from this office.

So, the proposal in the budget is really a proposal. It is the President's and his officers' best view on how funds should be appropriated in the coming years. It is not atypical, I believe, that a view would differ from body to body, or from person to person.

It is also true that NDSL is institutionally operated, which means that the basic problem is having a match between a student who wants to go to an institution and an institution which has money to loan.

Therefore, in order to promote open choice, or greater choice from the student's point of view, we have been interested in trying to strengthen the Guaranteed Program, because that is not institutionally powered.

Point three, though we do not ask for funds for NDSL, there is created in the history of the program, which is over

15 years old, $165-plus million which is in the hands of the lending institutions, which can be recirculated, so that even though a Federal capital contribution is not made, the program does not cease and desist as of that moment. As a matter of fact, it can continue to live with a return of capital from previous borrowers almost indefinitely.

QUESTION: It was said twice this morning that the library program is ripe for consolidation. The implication was that the money from these programs would come back into college budgets through student assistance, I guess. Would you explain how this works?

DR. OTTINA: Let me give you some answers.

In terms of library programs, there are three library programs basically. There are the Elementary and Secondary Title II programs, which are being recommended for consolidation of funding at the same level. Let me put that one aside.

Let me talk about LACA. LACA consists of a number of titles. It is a program which deals with public libraries and it is a program which operates on an allotment formula that after a kick-off point allows a discretionary portion to provide funds for demonstrations and other kinds of services.

This is a program that the Administration in prior years has recommended for zero funding. This year you will notice that our budget consists of two pieces in that program.

One piece is a piece for the traditional programs of $25 million, which is a phase-down but not a phase-out of the prior year's appropriated amount by the Congress, which was approximately $44 million. So, there is a reduction there.

In addition, we are proposing in another way to add to the list of fundable programs a set of legislation, which would deal with the problems that we see that the Federal Government should be addressing.

Basically, our view is that the Library Act has allowed, permitted, helped, and encouraged States to build a basic library program and a library structure at the state level.

That being in place, or largely in place, the Federal Government, perhaps, now should turn to trying to find ways to take what is there and encourage greater use of that through inter-library, inter-regional methods and techniques to make existing resources deal with problems that your libraries can never hope to deal with.

We have proposed $15 million in the budget for this, and we would think, in this particular area, that we would stimulate and ask for cooperation with not only the traditional public library, but higher education libraries, because they are very much part of the national resource that needs to be looked at.

The third program is under the Higher Education Act. For that,, we have again asked for zero funding. One of the very, very basic problems with this particular program is, in our view, that it is not determined on need, but every eligible institution has a flat $5,000.

So that most well endowed libraries as well as the most poorly endowed libraries receive exactly the same amount of money at the level of funding here. We have proposed this one,which amounts to about $30 million,not be funded.

Now, there is a portion of the funds which deals with the preparation of librarians. Perhaps this is the aspect which Charlie had in mind when he talked about supporting students.

That is all I can really help you with.

QUESTION: I was talking about the higher education point. I was wondering what replacement you had in mind for the HEA II-A and B provisions?

DR. OTTINA: We have no direct replacement other than the aspect of the new program we are proposing, and that would not be, in essence, a building of resources of Title II, but really a way to cooperatively build by using, or making available, the kinds of resources.

QUESTION: Would you say something about the prospects for using the National Science Foundation and the National Foundation for the Arts? Would that go up or down in terms of

funding?

DR. OTTINA: I have no idea. I cannot answer that question.

QUESTION: In higher education, why is the Administration ignoring the provisions of the Education Act of 1972 to aid the institutions which are chosen by the Federally assisted students?

DR. OTTINA: I believe what you have reference to there is the institutional aid part of the program. It is a very simple answer.

We are dealing with a very limited and fixed amount of resources. We feel that the first order of priority is the student aid Therefore, with the limitod resources we have, we recommended funding of the student aid portion of developing institutions.

But that particular program addresses a slightly different aspect of the program you had in mind, because it does not relate one to one with the institution which is the recipient of the student as was intended by the amendments of 1972. But, we are asking for an increase of about $20 million, from $100 to $120 million.

That program, you see, is targeted in areas where we believe the need more clearly exists.

QUESTION: Secretary Weinberger or somebody said this morning that you were expecting to aid the middle income

students by putting more money into your BOG, and I did not quite understand that reference. Could you clarify that, perhaps?

DR. OTTINA: No. I am not able to either. BOG money in the sense that you are asking the question do not relate.

The number of students who are eligible is the same regardless of what funding level you have with the one exception of the freshman-sophomore-junior-senior problem. This increases the number of students but does not change the range in terms of income levels.

So, if we look at any funding level the amount of money we see will be different, but it would not change the character of the eligible recipient.

I don't know whether that makes any sense to you. In the Guaranteed Student Loan program, however, we are trying to take up help for the middle class students.

Did I confuse you?

QUESTION: I never did understand the Secretary's reference this morning.

QUESTION: Has the Federal Government considered or worried at all about the idea of having, let us say, 70 percent of the next college generation come out of college indebted either to a bank or the Federal Government for a substantial amount of money?

Has this been raised as a potentially harmful effect on society in general? Have any studies been done, any Federal studies conducted in the area?

DR. OTTINA: The answer is no, yes, and yes.

There is a large number of proposals that have been discussed and are being studied. We are not in a position today to be able to recommend anything new on that score.

The position you have heard, which I enunciated today, is where we sit today. Very clearly, though, there is a set of alternatives including the ability to pay deferred type loans contingent upon income received, social security type of concepts. All kinds have been studied, and are being studied.

The basic notion that we talked about, though, I need to say just a word. Education is something that society generally supports, so that if we take it out of the realm of higher education, postsecondary education, a young person coming out of secondary school has been supported by society at large and has not had to be supported by the Federal Government.

What I am saying is, and I think that we are saying this together, this particular Nation believes that postsecondary education is something that needs to be available to all young people.

Postsecondary education is a more expensive problem, because it has attendant with it not only cost of instruction, tuition, which is not fully borne by the public at large as is

tuition in high school, for example, but also it is the beginning of the emancipation of the student from the family. So, part of the student himself becomes a consideration and educational cost.

So, I think what our society is saying is that it wants to see a higher level retained, and it wants that responsibility to be assumed jointly by the family, the student, and by the Government.

QUESTION: I write for something called "College Professor." You said that everyone likes education. I think that the rhetoric is there, but the action is not.

What we get in our offices are hundreds of college newspapers that say "students just cannot afford a college education."

You have all these wonderful programs, but they are not working. BOG, which is supposed to provide that extra amount of money for people who have no other kinds of funds available, basically the reaction we get is that it is a fraud, that the BOG provides enough to buy textbooks.

DR. OTTINA: Look at what has happened. BOG is funded at $122 million. We all know that it takes at least $1.3 billion to fully fund BOG's. So, we are short $1.2 billion in that one item.

That one item, fully funded, represents at best 50 percent of the cost of instruction, and at best means for

institutions with low cost, or $2,800 or below.

There is not the willingness on Congress's part as yet to fund that program at that level, or even at the level that the Administration has proposed in the preceding couple of years.

The statement that you made about its not working. Of course, it is not working. First of all, the funds are not there to support it. Secondly, it is a brand new program, with a terrible start-up problem.

What you are criticizing, as I understand it, is not the BOG, which historically has not been there.

QUESTION: The Nixon Administration's desire for access to higher education being available to all, but it is not willing to provide the funds. Where is the money coming from, that is the question? If you fully funded BOG, it would not put the student through school.

DR. OTTINA: Let me take you back to what I ended up saying in response to a question. Is the view we hold that the total cost of education should be borne 100 percent by the Federal Government and society, the tax payer?

Or is it the view that clearly some portion of some needy student should be borne, and other resources be made available to match the 100 percent need?

It is the second view that is being taken right now. That is that there is an obligation not only on the Federal

Government, but on the recipient of the benefit, the student and the family and others to make the 100 percent.

If that thesis is not one that is accepted, you can very quickly come to another set of conclusions. So, I think that this is a privilege.

QUESTION: Isn't it inevitable that if BOG got fully funded without the cost of education grants to the institutions, that the institutions have only one course to pursue, which is to raise tuition?

If they mise the tuition, then the BOGs become worthless.

DR. CITINA: There is a possibility that the institutions would chose to raise tuition. If that is done, I think it would have to be done in the context of all students who attend. Those who are eligible for BOGs are not 100 percent of the population attending those postsecondary institutions. They would be somewhere around 15 to 20 percent.

So, if the institutions raised tuition, they would have to face the problem of the other 80 percent as well, or 85 percent, and if you look at that in terms of BOG, you are spreading -- if the scenario that you are predicting is a correct scenario -- that amount not only over BOGs but others.

If that does happen, it seems to me that what happens is two things. The percentage of the Federal contribution, or the $1,400, might be altered, or both events might happen.

It seems to me, though, that only time and the full funding of the program and operation of the program for a little period of time can tell us the answer to that. What we have seen of BOG is very inconclusive, because of the very slow start of the funding of the program at the beginning of the year.

QUESTION: What percentage of those loans is defaulted at the colleges, the guaranteed student loans?

DR. OTTINA: In our history, that is looking at the number of loans that have been defaulted to a certain date divided by the number of loans that are outstanding and payable as of that date. Taking aside those loans in which there has been death or disability, the percentage is 5.7 percent under that definition.

Now, if instead of that definition, one tries to say what are our anticipated default rates, one can obtain, depending upon the set of assumptions you would like to make, numbers that are higher than that by a little bit, perhaps even dramatically higher than that.

The program has changed over the years by making eligible a set of institutions, which at the early stage of the program were not. We have in the program now a number of students who are only one year or less. So the maturity of the program, and the rate of maturity, instead of being four years plus a grace period, which we will set at five, has a much quicker turn-over of paper.

In some areas that has, in essence, made projections become more difficult for us, and that is the reason for some of the ambiguity when we talk about future expectations of default of loans.

Let me also add that experience between segments of the program is also different. I was talking about that portion of the program, basically, that is federally operated.

There is, as you know, a number of States that operate State programs, and they will also experience different kinds of rates than Federally operated portions.

Also, if you look at the Federally operated portion, you will find that, as a function of the kind of lender, you will see differences.

The lowest rate of default or delinquency seems to be coincidental with a lending institution. Higher delinquency and the higher default rates seem to go along with schools, both vocational and proprietary, and traditional colleges and universities when they become lenders.

Thank you all very much.

MR. HELM: The top Civil Rights Officer at HEW is Peter E. Holmes. He was appointed Director of the Office for Civil Rights in April, 1973.

In this post, Peter is responsible for Civil Rights policies and programs, programs which impact the lives of nearly all citizens, and which currently have significant impact on

our schools and colleges.

Since coming to HEW in May of 1969, Peter Holmes has served as Special Assistant for Policy Coordination and Director of Public Affairs in the Office of Civil Rights. Before that he was executive Assistant and Legislative Assistant to a U.S. Senator from Michigan. He has also been an editor and legislative officer for the Congressional Quarterly.

With a staff of more than 600 persons, the Office of Civil Rights administers Title VI of the Civil Rights Act of 1964, Titles VII and VIII of the Public Health Act and Title IX of the Education Amendment of 1972.

The Administration of those acts and its impact on education is the subject of his remarks today.

XXXXX STATEMENT BY PETER E. HOLMES
DIRECTOR, OFFICE FOR CIVIL RIGHTS
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MR. HOLMES: Thank you very much.

I have a brief statement, so let me go to that, and then I will take your questions.

It has been 20 years since the Supreme Court's decision in the Brown versus Topaka Board of Education case that started the Nation on the road to desegregation of the dual school system.

It has been 10 years since enactment of the Civil Rights Act of 1964, with its Title VI prohibition against use of Federal funds for programs that discriminate as to race,

color, or national origin.

Ten years ago, there were virtually no Blacks in school with White students in the 11 Southern States. By 1968, a total of 18.4 percent of the Black pupils in the South were in majority White schools, rising to 39.1 percent in 1970, and to 44.4 percent in 1972.

Perhaps of greater significance, the Black pupils in 100 percent minority schools in the South decreased from 68 percent in 1968 to 14.1 percent in 1970, and to 9.2 percent in 1972.

We do not have the new figures for the current school year compiled yet, but they will probably show slight gains in the South, with a mixed picture of gains and losses in the metropolitan school districts in the North and South.

In the past 10 years, enormous change has taken place in the public elementary and secondary schools with regard to the desegregation of students. As these gains have been made, we have been able to expand our Title VI enforcement for the first time to reach national origin minority students -- Spanish surnamed, Asian American, and American Indian children.

Our goal is to assure that they receive equal delivery of educational services, with particular emphasis on language barriers.

As you know, we are moving into a new area now under Title IX of the Education Amendment Act of 1972, which prohibits

sex discrimination in education programs receiving Federal financial assistance.

Now, we are also involved in a complex new area -- the desegregation of dual state higher education systems in 10 states. The U.S. District Court for the District of Columbia in the Adams versus Richardson case, decided in February, 1973, that we must obtain such desegregation plans from Arkansas, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Pennsylvania and Virginia.

That decision was upheld by the U.S. Court of Appeals for the District of Columbia in June, 1973, and since that time we have been involved in extensive negotiations with state higher education officials.

We are currently reviewing plans submitted by all of the states, except Louisiana, which has declined to submit one. The Louisiana case has been referred to the Department of Justice, which has filed suit for a desegregation order in that state.

The Office for Civil Rights has these options under the terms of the order in Adams versus Richardson.

1) To obtain acceptable plans through negotiations.

2) If negotiation fails, to initiate administrative enforcement procedures under Title VI of the Civil Rights Act.

3) Or to refer cases to the Department of Justice for court action.

As I mentioned, this is a new, complex chapter in the history of civil rights enforcement. Unlike the issue of elementary and secondary school desegregation, there has been very little case law developed by the courts to give us legal guidance in the area of higher education desegregation.

Twice we have obtained extensions of deadlines set in the Adams case to give us more time to negotiate for voluntary compliance. The deadline by which we must accept, reject, or take legal action has just recently been extended from April 8th to June 21st.

Now, with about two months to go, we are holding a series of meetings with officials from each of the nine states to set forth ways they can further improve their plans before we must make final determinations on their acceptability.

Last November, we provided each of the states with detailed letters of analysis keyed to their particular problems. Now, with the revised plans, we are trying to narrow the focus to our major concerns and questions. We are doing this verbally at the April meetings, and subsequently in writing.

In order to give you a sense of how we are proceeding in our dealings with the nine states, I would like to draw our attention to certain underlying principles that are guiding our negotiations.

First, careful statewide planning and state-level coordinated approaches are needed to accomplish desegregation

of former dual higher education systems. For example, the allocation of financial resources between institutions and the placement of new or specialized course offerings can have a significant impact on desegregation.

Individual institutions, acting alone, cannot make, by and large, the necessary decisions and carry them out. In addition, a coordinated statewide approach to student recruitment can have significant impact on efforts to emphasize the positive attributes of the predominantly Black institutions for White students, and vice versa.

Secondly, the principle of free choice is well established in higher education. The Government is proposing no actions that would infringe on the exercise of individual choices of institutions. Quotas or forced reassignment systems are not being proposed or suggested, explicitly or implicitly.

It should be recognized, however, that a student's choice of institution is often affected by such things as the quality of a college's facilities, the breadth of academic offerings, the reputation and quality of the faculties, and by the role or mission established by the state for its institutions.

And, finally, desegregation does not contemplate the downgrading or dissolution of the predominantly Black institution. In fact, just the opposite is contemplated.

We expect that the predominantly Black institutions will be upgraded, and made full, viable partners in the state

higher education systems, able to compete for and attract students regardless of race.

In addition, desegregation contemplates that the predominantly White institutions, through greater efforts in the area of supportive and counseling services, will be able to compete for, attract and retain greater numbers of Black students.

We view this new area of civil rights enforcement -- the elimination of the dual structure of higher education -- as both a challenge and an opportunity.

A challenge, because we are sailing in rather uncharted waters. An opportunity, because the ultimate impact on our and the states' actions will be a substantial broadening of higher education opportunities for minority children.

I will be glad to take any questions you may have.

QUESTION: Mr. Holmes, you cite statistics showing some very good improvement since Brown versus the Topeka Board of Education in the South. You talk about mixed gains when you talk about the North and South together, but you don't cite the North alone.

It seems to me that if you did that would show some net gains in certain instances, but if you look to New York, for example, where I do my education writing, you have a system of one million school children, and you have the same thing here in Washington, and the same thing in Detroit.

Doesn't it seem to you that we are heading in the North for the same position that we were in the South before Brown versus the Board of Education, and if so, how do we combat such a thing, short of bussing?

MR. HOLMES: I would not suggest that in the North we are headed toward a situation that existed in Brown, or in the South prior to Brown.

The situation that existed in the South prior to Brown, and in the 10 years following Brown prior to the passing of the 1964 Civil Rights Act, was a continued forced segregation of students -- a mandatory segregation of students in schools according to race.

NOw, you are absolutely right, the degree of racial isolation as opposed to racial segregation is on the increase in many very large school districts, and you named New York City for one.

That is a fact, and we have the figures. I don't have the figures with me right now, but we do have the figures on the degree of desegregation or integration in the North, in 32 Northern or Western states, and it has shown a slight increase but nonetheless an increase in the degree of racial isolation in those states.

We are concerned about those types of situations. The remedy to those types of situations, as you know, is difficult. It is also an issue now before the Supreme Court of

the United States in connection with the Detroit case.

We have, however, nonetheless, begun a review of the delivery of education services to minority children, not only Black, but Puerto Rican and other national origin minority children in New York City.

This is a very comprehensive review, and it is going to take us several years to complete it. It is very much involved -- data collection and analysis, utilizing new techniques in that area.

We are receiving the full cooperation from the New York City School Board in connection with that large undertaking, and we hope that the result of our findings is that it will result in the improvement of the delivery of educational services to students in those schools, even though those schools may be racially identifiable.

QUESTION: The delivery does not speak to the end result. The end result is that you are getting an increasing situation of racially isolated schools the same as you had in the South no matter what the reason is.

What can HEW do about that?

MR. HOLMES: There is very little we can do legally about the fact of the segregation, if it is de facto segregation, but we are, as I noted, and I will repeat, undertaking a review of the delivery of services to the students, to see if there is a difference in the amount of financial support

within the New York City schools between racially identifiable and non-racially identifiable, non-minority schools.

That is a positive effort to try to get at some of the problems in a large metropolitan area school.

QUESTION: As in the Denver case, one case is brought to Court -- I am just following up his question -- when a case is brought to court, as in the Denver case, you get the judgment that much of this isolation is de juri segregation. Yet, you are not making any moves to bring court cases in the North, are you?

MR. HOLMES: We do not bring court cases. But we very much involved in such cases. We are involved in Tucson, Arizona, currently, and Fresno, California, and a number of other California schools, and many other Northern districts.

We are undertaking reviews to determine whether the isolation in the schools is a result of official school board action, de juri action, or if it is de facto.

QUESTION: You really consider as one of your major priorities turning toward an attack on segregation in the North? You listed three priorities.

MR. HOLMES: I would say that one of our major priorities right now is to complete the methodology and the technology that we hope to be using in the New York matter, or that we are currently using in the New York review, and to try to develop a program to deal with some of the problems relating

to, or affecting minority children in the larger urban school districts, where there are not available remedies to the condition of racial isolation which may exist in those communities.

QUESTION: Do you believe that the bussing amendments are constitutional if they survive the final bill?

MR. HOLMES: First of all, if you have read the Schallenback and Mackenburg decision in the Supreme Court, recognizing that decision, and that decision holding, bussing is permissible to be used in desegregation, and recognizing that there are certain limitations to the use of transportation.

The language used by the court is that the transportation may not be desirable or required in a situation where it would endanger the welfare, health and safety of the children, or significantly impinge on the educational process. That was limiting language from the Supreme Court.

Now, it is ambiguous and it is vague. The most recent amendment passed by the Congress attempted to impose limitations, and they are most specifically defined on the amount of transportation that could be used in connection with the elimination of situations of de juri segregation, should be found constitutional in light of the Swann decision.

I will admit that this is a matter of substantial debate among lawyers, and I am not a lawyer.

QUESTION: Following the questions and your response

about looking at funding in various school districts. Applying that to higher education, let us assume that in the great Heartland of America there is a college with about 80 percent state support, do you say that your office, or HEW, is going to look at that college and tell the state to give it more money if it looks substandard?

MR. HOLMES: We would certainly look at the situation in that example you used in Heartland. I don't know which state you are referring to. We would look at the situation to determine what the cause of the racial identifiability was for that institution.

If it were 80 percent Black, look at the reasons why it is 80 percent Black. Is it a result of former segregation of students by a state law or policy in that state. We also look at the resources.

Assuming that there was a policy of officially sanctioned segregation of students in the institution in that state, we would want to deal with that state, not with respect to the predominantly Black institution, but with respect to the predominantly White population.

Why are we focusing on the 10 states? These are the 10 states that were named in the order, but that by no means suggests or precludes us from dealing with other states once we have completed our work with these 10 states.

QUESTION: You say that your office is concerned with

dual school systems. I just wondered if you planned to move to make sure that every state supported college is a balance of Black and White students?

MR. HOLMES: Maybe you don't have my statement, and if you do, you ought to read it.

In the last paragraph it makes very clear that desegregation does not contemplate the downgrading or the dissolution of the predominantly Black institutions, just the opposite is contemplated.

We expect that the predominantly Black institutions will be upgraded.

QUESTION: Are you going to see that these Black colleges that are state supported are upgraded to the level of the White colleges that are supported by the same states?

MR. HOLMES: The answer to that question is yes. If the student composition of that school is attributable to past discrimination in those states, that is exactly the reason that we are into the 10 states in the South.

There are other states in the Adams order. There are other states that have this situation. We are only able to deal with the 10 states right now in the very strict terms of the time-frame set in the court's order.

Yes, we would, I cannot tell you when, because our priority right now is to enforce this court order, but we would look at the situation that caused the existence of those schools,

and if it were as a result of past segregatory policies in the state, we would ask the state to take action with regard to its entire system.

QUESTION: But only if it is as a result of past policies?

MR. HOLMES: That is right. We have to show discrimination under Title VI of the Civil Rights Act has caused the situation to exist. If we cannot show that discrimination exists, then we have no legal basis for taking action.

QUESTION: On page 5 of your testimony, you say: "... desegregation contemplates that the predominantly White institutions, through greater efforts in the area of supportive and counseling services, will be able to compete for, attract, and retain greater numbers of Black students."

How do you propose this to come about?

MR. HOLMES: The states have been proposing this to us, and I think they have made some very good and interesting proposals with regard to providing more support to the services and to coordinate at the state level efforts to work with school counselors, and to make sure that they are channeling students to institutions on the basis of race, and that the student's choice is indeed a free choice as to the institution that he wants to attend.

So the states are coming forward with proposals in that area, which we are reviewing.

QUESTION: Is there any funding attached to this, any kind of training programs that will be established through that.

MR. HOLMES: The funding proposals are most of the proposals that come forward in this area by each of the states are funded out of state funds.

QUESTION: If you cannot show segregation under Title VI in the North, you cannot do anything about it. Is that what you are saying?

If in the North you cannot use the Title VI to show segregation, there is nothing that you can do. Therefore, all you can do is investigate?

MR. HOLMES: Title VI of the Civil Rights Act, which we enforce in the Office of the Civil Rights, prohibits discrimination in any Federally assisted program. Colleges and universities get Federal funds. Elementary and secondary schools get Federal funds.

Now, if we can show that discrimination has caused segregation, then we can act. If we cannot show that discrimination has caused segregation, then we cannot act. Now the burden of proof is much easier in the South than it has been in the North for the simple reason that in the Southern and Border states, each of those states had a state statute up until 1964 that made mandatory the assignment of students to schools on the basis of race.

A Black student could not go to a White school, it might be his neighborhood school. The White student could not go to a Black school that might be his neighborhood school. This was prohibited by state law.

Vestiges of that former system continue to exist in the South. And that, in the primary and secondary area, is what we have been focusing on since 1964, and have made tremendous gains at delimiting the classic dual-school structure in the South, and essentially eliminate it.

There continue to be schools that are racially isolated in cities like Atlanta, cities like Houston, not to mention the Northern cities like New York, or what-have-you. But, the distinction is that in the South there were state laws requiring the mandatory segregation of students, and in the North there were not such state laws.

Thus, if we see a situation in the North of an elementary school that is all Black, for example, we make inquiry, we make an investigation to determine what the cause of that was.

If the cause can be shown to be official school board policy, i.e., back in 1924, the school board sat down and said: "We don't want Black kids to go to White schools, and White kids to go to Black schools. We are going to segregate them." In that case, we have proof of discrimination.

Race discrimination has been proven in the City of

Pasadena, California, and there was a court order entered in 1970, requiring the desegregation of that school system.

Discrimination has been shown in the City of Detroit in Judge Ross's decision, and there have been many other Northern school districts that have come under desegregation requirements.

QUESTION: How many districts in the 10 states do you think are out of compliance with the desegregation?

MR. HOLMES: I cannot say how many are out of compliance. I can say that currently we have about 20 school districts in the administrative enforcement proceeding that we have found, as a result of investigation and a failure to eliminate the discrimination, to be out of compliance and have initiated proceedings.

But, we continue. This is an on-going process of continuing reviews. In many cases, you will find there is discrimination and they voluntarily comply to correct it, and thus it is never a major question.

QUESTION: If you made a determination that the cause is segregation, wouldn't it be logical to explore the cause in several states before Federal funds are committed and how do you plan to do that?

MR. HOLMES: The question is with regard to the issue of segregation in higher education, and the determination as to whether discrimination existed and has caused that situation to

exist.

With regard to Central states, in Ohio there is a predominantly Black institution, wouldn't we make inquiry first as to what the cause of that being a predominantly Black institution is,before Federal funds are committed, I assume to assist the institution. We would not be making that determination before hand.

QUESTION: You would rebuild it and then study the cause?

MR. HOLMES: The cause right now is irrelevant. The institution as an institution has been severely hit by the natural disasters in the midwest. I think that we should fund the institution, and no question about it.

I will take you back to my statement. We are talking about upgrading these institutions and providing additional assistance. The assistance that Dr. Ottina and others have discussed today is for that very purpose, to provide additional assistance for such schools, many of them being primarily Black.

QUESTION: If we are to assume that you really want to find solutions to the problem of racial isolation in schools in the Northern metropolitan areas, housing plays a major part in the predominantly Black schools.

What is your response to the approach suggested in the judicial directives in New York that not only the school

board and the school district were responsible, but that the housing authority, the police and everyone else play a major role in the shift of Whites out of neighborhoods, etc.

MR. HOLMES: I have not read the decision, but I know the decision that you are alluding to. I cannot comment on the decision. I prefer not to at the present time.

That was the considered opinion of individual Federal or District Court Judge, and it is based upon certain factual considerations that he made. I don't know whether the school system is appealing it or not, and I would prefer not to venture into that.

Thank you very much.

MR.HELM: We have three more speakers this afternoon and we have a 15 minute break. We will be back at 2:45 p.m.

Peter has indicated that he will be here for a few more minutes, if anyone has additional questions that they failed to ask.

(A break was taken at this point.)

MR. HELM: Each year education seems to have a larger impact earlier and earlier in a child's life. Pre-school education programs that were rare 15 years ago are now an established part of our national educational system.

The responsibility for most of our pre-school education programs is now in HEW's newly-formed Office of Human Development, that office is headed by Stanley B. Thomas, who

holds the new position of Assistant Secretary for Human Development.

A native of New York, he was graduated from Yale University in 1964. Mr. Thomas came to HEW in 1969 from Phillip Morris, Inc., where he was manager of personnel relations. In 1966 he served the City of New York as Secretary of the Anti-Poverty Operations Board and Aide to the Mayor.

Since coming to HEW, Mr. Thomas has also served as Deputy Assistant Secretary for Youth and Student Affairs. The impact of HEW programs on children is one of his main concerns.

I now have the pleasure of introducing Stan Thomas.

STATEMENT BY STANLEY B. THOMAS, JR.
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MR. THOMAS: I would like to introduce a colleague of mine, Mr. James Robinson, who is the Director of Project Head Start.

I am delighted to have the opportunity to address this audience of educational writers. I am looking forward to telling you about some new developments in the program you all know very well -- Head Start.

I should say that I will be departing initially from the text that was handed out to you this morning, but not in any particular substantive fashion.

I am sure that many of you have heard so much about this program over the past nine years that you may feel that

you know all there is to know about it, but significant new things are happening.

I am afraid that sometimes many of us take Head Start for granted, because it has been such a successful program. Because it has had so much impact on child development projects across the nation, and because it has become a household word many think of it as a kind of establishment program, settled into a comfortable educational pattern for preschool youngsters and their families, but that is not true.

When it was launched in 1965, Head Start was designed as an innovative, experimental project for young children from low income families, providing them with a better chance of reaching their full potential when they entered the regular school system.

One of the greatest mistakes we can make is to regard Head Start as a purely education program, designed solely to improve children's IQ and set their feet on a path of merely and simply academic achievement.

We like to think of Head Start as a "comprehensive child development program," which deals with the whole child. A hungry child cannot participate. Therefore, his nutritional needs must be taken care of.

An unhealthy child cannot participate. Therefore, his health needs must be taken care of. A child who comes from a family under stress is in all probability lacking in self-

confidence, self-esteem, and a feeling of self-worth. All the resources available to Head Start must be mobilized on behalf of that child.

New variations in the classroom-based program have been introduced to meet the needs of varied communities in different parts of the country. New pilot projects are underway to make Head Start more responsive to the special needs of individual children and their families.

Through the efforts of Head Start's staff and parents, we are revitalizing the experimental quality of the program.

As many of you know, Head Start is administered by the Office of Child Development, an agency of the Office of Human Development at HEW. Our Office of Human Development, which is just one year old, was created to design and coordinate innovative approaches to serving young children, adolescents, the elderly, and other Americans who have very special needs.

Before I tell you about the new changes at Head Start, let me take a moment to bring you up-to-date on the program and its accomplishments.

In nine years, Head Start has provided comprehensive educational, health, nutrition, social and other services to some 5.3 million low-income preschool children and their families.

Today, the program serves more than 379,000 children

annually in regular full-year programs, summer programs, and experimental projects.

Head Start has given these children an opportunity to receive the kinds of services and to enjoy the kinds of experiences they need for their full development.

At the same time, the program has provided employment opportunities for many of their parents, making it possible for them to play a more meaningful role in the the development of their own children and, in a number of cases, through jobs in the centers, to work their way out of poverty.

Project Head Start has played a major role in focusing the attention of the nation on the importance of early childhood development, primarily the first five years of life. In many ways, this pioneering program has had a dramatic impact on the thinking of educators, pediatricians, psychologists and spacialists in the child care field.

For example, Head Start led the way in urging parent involvement as a vital factor in the education and development of young children.

The active, creative participation of parents in the governing councils of Head Start centers has encouraged many other early childhood programs and school systems to bring parents into their own planning committees.

Head Start has pioneered, also, making health care and nutrition a basic program component. It is now the largest

nationwide program providing comprehensive health care to preschool children.

Head Start has also shown how a program can work with other community services to enhance the effective delivery of those services.

As an example of this, some 200 Head Start programs have undertaken a special effort to make early and periodic screening, diagnosis, and treatment services available to about 125,000 children between birth and age six, who are eligible for Medicaid.

This effort encourages Head Start health programs to make maximum use of Medicaid for Head Start children who are eligible, and to provide health-related services to other Medicaid eligible children in the community, including siblings of children enrolled in Head Start.

The program has been of special interest to educators because of its wide use of research, evaluation, and monitoring activities to improve program services, its low teacher-pupil ratio, and its use of non-professional teacher aides in the classroom.

Head Start now employs more than 10,000 low-income men and women as teacher aides. Many of these aides are now enrolled in university training programs that will lead to their certification as child care workers.

In fact, this successful employment of non-professional

aides led to the development of Head Start's Child Development Associate Program, which is designed to develop a new kind of professional in the field of child care.

Child development associates will be trained child care workers whose credentials are based on their skills in working with children rather than on academic credits.

This year, some 5,000 Head Start classroom staff are working toward CDA credentials through Head Start's Supplementary Training Program.

Now to the future -- for Fiscal Year 1975, the President has requested a budget of $430 million for Head Start, which is an increase of $37.9 million over the 1974 level.

Incidentally, this is one of the largest annual increases requested for Head Start since its inception. The additional funds will be needed to continue to serve the 379,000 children in 1975, and to maintain the high quality of services provided to them.

Of the requested increase, $15.7 million will be made available to Head Start grantees to cover indirect administrative costs previously borne by Community Action Agencies from resources allocated by the Office of Economic Opportunity. The remaining $22.2 million will provide an increase of about six percent to local grantees to meet the increased costs of wages, utilities, transportation and supplies.

In addition, we have requested an extension of Project Head Start for three more years, through separate legislation which places responsibility for operation of the program in our department.

I might digress for a moment to say that the program has really been under the auspices and direct authority of the Secretary of Health, Education, and Welfare, since 1969, but that legislation would make that formal.

To urge this three-year extension, I testified before a subcommittee of the House Committee on Education and Labor in February. We are now recommending passage of the Bill introduced by Congressman Steiger of Wisconsin on March 12, which would provide for this extension.

We believe that a three-year extension for Head Start will provide the opportunity to continue to evaluate the program, to proceed with improvements already under way, and to consider possible program changes with a sense of stability.

The extension will enable us to continue our activities within the present framework, and make it possible for Head Start to move ahead in significant new directions.

Now a word about some of these new directions. I have indicated that we want to return Head Start to its original purpose as a trail-blazing, innovative program for young children. Here are some of the steps we have been taking to do this.

We are now in the third year of Head Start's improvement and innovation program, which is a major effort to upgrade the quality of the programs throughout the country.

Improvements and innovation activities are being implemented in three ways: by encouraging grantees to adopt imaginative alternatives to the traditional classroom-based Head Start model; by strengthening local operation by means of new performance standards; and by introducing new experimental projects that will expand the horizon of Head Start and increase its responsiveness to the needs of individual children, their families and their communities.

I would like to begin with Program Variations. For a number of years,most Head Start centers offered enrolled children essentially the same five day a week, classroom-based developmental program. But experience has shown that the needs of children and their communities vary, and that to meet these needs more effectively, programs should be individualized.

Over the past few years, more and more grantees have introduced locally designed approaches in response to the requirements of children and families in their communities.

Taking this cue, in 1973 Head Start began to encourage local programs to adopt variations in the standard Head Start model, based on their special needs. We were convinced that local communities would know their own needs far better than the "Feds" ever could, based upon individual

and community needs assessments.

We felt that they should make the decisions, contingent upon parent approval and submitting proposals to Head Start program directors in Washington and the HEW Regional Offices.

All Head Start programs have now chosen one of five program options, and these options include:

First, the standard Head Start model which is the five days a week of center based activities.

Second, variations in center attendance to reflect the different needs of children and their families. For example, younger children often do better in short sessions scheduled fewer than five days a week, while children from families under stress may require more extensive services than those provided by the standard Head Start model.

Third, home based programs along the lines of the Home Start projects, now funded by the Office of Child Development, which are designed to help parents as educators of their own children in their own homes.

Fourth, double sessions involving two classes of children a day. Recognizing the need of such sessions in some communities to make better use of limited local Head Start resources.

Head Start permits double sessions only under certain conditions and with strict safeguard for children and staff.

Fifth, locally designed variations, enabling a grantee to design a program directly responsive to the needs and resources of its own community. In serving children whose families are in the migrant worker stream, for instance, adjustments have to be made in the number of hours a day to meet the needs of their families.

I have described the program variations that are playing a revitalizing role within Head Start today. Now, let me briefly tell you about a second development in Head Start's improvement and innovation program, which is a major effort to help all local centers achieve higher performance standards.

Monitoring data has shown considerable variation in the ability of local programs to meet Head Start performance standards. Some programs excel, and some clearly perform below expectations.

For example, by limiting their activities to intellectual achievements, while excluding other equally important factors, such as social and emotional development.

To meet this problem, the Office of Child Development has issued new guidelines outlining the full range of benefits that Head Start seeks to provide each child, and clarifying the methods required to meet the needs of the children.

All Head Start grantees have submitted specific plans to achieve these new performance standards. The grantees have received intensive, onsite assistance in improving services and

making better use of available resources.

As a result today every Head Start program is working toward meeting these performance standards.

The third major development in Head Start's improvement and innovation effort, and to me the most exciting one of all, is the continuation of new experimental projects that will increase the effectiveness of the program, and will undoubtedly influence the thinking of educators and child development specialists throughout the country.

Let me give you an example. The new Child and Family Resource Program, launched by the Office of Child Development in the spring of 1973. Until now most programs for young children have focused on certain limited age groups or special areas of a child's development.

While many of these efforts have achieved worthwhile accomplishments, none provided for the total developmental needs of children from the prenatal period right through to the early school years.

The child and family resource program draws on the most successful aspects of earlier Head Start projects to provide family-oriented, comprehensive child development services for children from the prenatal period through age eight.

There are now eleven child and family resource pilot projects across the country. Each project uses a Head Start

program as a base to develop a community-wide system linking a variety of services to children and their families.

Here, briefly, is how it works. First, a professional team, such as physicians, educators and social workers, will meet with parents to assess the needs of the child.

Then a program is set up to link each family to services offered by various community agencies, such as maternal and child health clinics, day care organizations, mental health agencies, and schools.

The goal is to make available to parents a continuity of services that will help them guide the development of their child from the prenatal period through the critical first eight years of life.

Then, there is our developmental continuity project aimed at promoting greater continuity of educational and child developmental services for children as they make the transition from home to preschool to school.

In collaboration with the Social and Rehabilitation Service of HEW, there is the major effort to make available to Medicaid-eligible Head Start children Medicaid's early and periodic screening, diagnosis and treatment program, to which I have already referred.

In cooperation with the Bureau of Education for the handicapped, there are 14 experimental projects to develop new approaches to serving handicapped children in integrated

programs with other Head Start children.

Techniques developed in these projects will be used by Head Start programs to more efficiently carry out a Congressional mandate requiring that at least ten percent of Head Start participants be handicapped children.

You will be interested to know that to meet this requirement, enrollment of handicapped children has risen from 17,000 in 1972 to about 38,000 today.

These are some of the experimental efforts now being developed through Head Start, and they follow such earlier experiments in early childhood development as the Parent and Child Centers, Health Start, and Home Start.

So, as you can see, significant and exciting things are happening at Head Start, and today I have tried to tell you about just a few of them.

This well-known nationwide program is undergoing continuous improvement. It is becoming an innovative, experimental program again, just as it was when first launched in 1965.

New activities are under way that will make Head Start more responsive than ever to the needs of children and their families, activities which will attract the interest of educators and child development specialists across the country.

To sum up, I think the big news about Head Start today is that, as a result of these changes and innovations,

the program will play a more important role than ever in helping to improve the lives of hundreds of thousands of America's children and their families with special emphasis on those who are still living in poverty.

I would like to make one additional comment about the new legislation which we submitted. What we basically did, recognizing that Head Start puts particular emphasis on community-based programs, and particular emphasis on the involvement of parents in those programs, our legislation basically permits us to do the same kinds of things, still emphasizing the demonstration of experimental elements of the program, and permits us to do the same kinds of things in the future that we have done in the past.

That is all I have to say, and I would be delighted to answer any questions.

QUESTION: Mr. Thomas, you have an Office of Child Development, and there is a director of that office?

MR. THOMAS: That is correct.

QUESTION: Am I correct that that position has been vacant for two years?

MR. THOMAS: Yes, it has.

QUESTION: The second part of the question. Is there a Director of the Children's Bureau?

MR. THOMAS: Correct.

QUESTION: Hasn't it been vacant for almost that long?

MR. THOMAS: The office of the Director of the Children's Bureau has not been vacant that long, not nearly that long, but we have been aggressively seeking to find a permanent director. We have had an acting director who had been deputy director for some time before that.

We are very aggressively pursuing the recruitment of a new director. I might add that we had someone in mind, when he told his Board of Directors that we were interested in him, they gave him a $10,000 raise. These are some of the problems that we have had.

QUESTION: Have you made any recommendations to fill this position?

MR. THOMAS: I have not made any formal recommendation to the Secretary, and the Secretary has not made a formal recommendation to the President.

QUESTION: You have not found anybody you could suggest?

MR. THOMAS: We have not found anybody in whom we were interested, who was not getting $10,000 from his Board of Directors at the same time.

QUESTION: Why did you have to ask Congress for the Child Abuse ---

MR. THOMAS: As you know, the Child Abuse Bill was signed into law on January 31, 1974. We have alerted the Congress that we intend to make a request in Fiscal Year 1975

for an amendment to our 1975 Budget Request. The elaborate process of analyzing the bill, developing regulation, we just did not feel that we could have ---

As a matter of fact, we are very concerned about the fact that the House Appropriations Committee has voted a week ago $4.5 million for that program, which would have to be expended before the end of the Fiscal Year.

We think that this would be prohibitive in terms of the kind of work we want to do, and the responsible way that we want to spend those resources.

So, we would make a 75 budget request. We don't feel that we have time in the Fiscal Year 1974 to spend the money as creatively and as well as we should.

QUESTION: In other words, the appointment of an advisory council must wait that long?

MR. THOMAS: You may have the statute confused. The statute requires the appointment of an intra-departmental committee with representatives of the various departments of HEW who have responsibilities in this area.

Indeed, the Secretary has already sent out to the various agencies of the Department the fact that he would like them to designate people to serve on that committee, which would be under the leadership of the Office of Child Development.

QUESTION: You said that Head Start permits double-sessions only under certain conditions. Would you like to

spell out what you mean by "certain conditions"?

MR. THOMAS: What we mean in simple terms is that we want to make sure that although the program can serve a larger number of children in double-session environment, that we do not sacrifice the very important elements of the program, or the quality elements of the program.

As I made reference to, we do find that in some instances the younger children are better off in a shorter time --- working with them over a shorter period of time. So, I think our basic agenda with that particular element is to make sure that we do not sacrifice the quality of the program, and we don't short-change the youngsters, even though we will permit that to occur.

QUESTION: I see that your budget is based on continuing to serve 379,000 people in 1975. Do you think that this is the total number of children who need this program?

MR. THOMAS: We think that the 379,000 figure is really well endowed for the full year. The full year figure is somewhere around 270,000 or 269,000. We have been moving to make as many of the programs full-year as possible.

We think that since this is an experimental program whose raison d'etre is not only to provide service but to develop new techniques, and new ways of providing free school services.

A universe much larger than that would make it that

much more difficult for us to have the kind of control and direction which we think is essential to getting the kind of innovativation and experimentation that we want.

Indeed, there are occasions when we try new things where we look at how large is the universe of the children we are dealing with. Indeed, we are concerned that we may be getting a little too big now.

QUESTION: What part, if any, do the PTA's play in the Head Start programs, and has there been any parent or teacher selected to serve on the committee of the Head Action Programs?

MR. THOMAS: Parent-Teacher Associations, PTA's, as an element of the Head Start Program do not have as great an involvement in Head Start, which is preschool. PTA's are usually centered around elementary and secondary schools.

The particular involvement of parents of Head Start youngsters, which we call our parent involvement program, they have quite a sizable impact and involvement in actually designing the program.

I don't know what you mean beyond that. We have a specific policy which is meant to involve parents. We have the new developmental continuity activity, which I sort of referred to as that program where we want to bring more closely together Head Start, elementary and secondary education, and the kind of parent involvement we would want to see continued.

We do have an education for parenthood program, which is not under the specific auspices of the Head Start Program, but which is another activity of OCD. That program is where we have been working with the Office of Education to develop a curriculum for secondary and elementary school students.

We have designed a curriculum with them, which we have circulated to various school systems, which is being used at the discretion of the particular system. Mainly, the youth organizations, such as the Girl Scouts, YMCA, and others, are participating in that activity.

QUESTION: What I was trying to draw attention to, also, was the PTA's interests. There are subjects that the school, the teachers and the policy of school would like to have parents consent to have certain subjects discussed and studied in the curriculum. Some parents disapprove.

My question, then, under HEW what could be a program set for the PTA's interest in any of this Head Start action?

MR. THOMAS: Separating our involvement in pre-school as opposed to elementary school, obviously the determination is in the PTA and the element is determined by the relationship between the PTA and the school district.

The Head Start programs, which we have direct authority for, we have put great emphasis on the parent involvement, and looking to link with those elementary school systems that would prefer to have that kind of involvement in

actual curriculum design.

QUESTION: HEW gives priority to community action agencies that have held the oversize responsibility for the Head Start program.

MR. THOMAS: If I might, I would like to set the stage for the question.

Many of the Head Start grantees, or community action agencies, we estimate, as a result of conversations with the Office of Economic Opportunity, that the vast majority, anywhere between 65 and 75 percent, of all CA's will be able to continue to operate.

We have sent out for comment new regulations which state that if we determine that that community action agency no long has 221 funding, OEO funds, if that community action agency through its other activities demonstrates its fiscal viability, that it is an institution that is fiscally viable, if they can demonstrate that they can continue to provide viable quality Head Start services, we will continue, obviously, to them as grantees.

Our basic intent is to provide as minimal disruption as we can, and we don't anticipate that that will be the case. But it should be noted that over 400 grantees, [illegible] currently providing Head Start services are not community action agencies, and we call these limited purpose agencies.

The tradition of Head Start working with other

than CAA's is a very consistent condition of Head Start's history.

QUESTION: Why is Follow Through being phased out?

MR. THOMAS: You would be better off posing that question of my colleague, Charlie Saunders.

However, I can probably answer this question, because we work closely with them. It is a question of terminology. The general intent of Follow-Through was to meld that program into the on-going activities of school systems with disadvantaged youngsters.

As I understand it, we have submitted legislation. The Follow-Through was an experimental program, and as such it should run a normal course of years to prove something, or not prove something, and then on the basis of what has been proven, take that into account in future education policy decisions.

As I recall, without having it at my fingertips now, we are going to be starting in fact the phase out this fall. Those projects that have kindergarten children, they will not be taking any kindergarten children.

So, those that start with first grade people will not enter into a new first grade group. At the conclusion of the Follow-Through experimental program, I might add with regard to research, we have a more comprehensive understanding of the educational program.

In conclusion, we would hope that there will be some

significant findings with regard educational practices with those children, many of them are educationally disadvantaged. At the conclusion of that research, then, and after the analysis of it, we would hope that they would be able to implement it into other programs.

We have talked at great length about the possibility of using what we learned from Follow-Through in our large programs, such as Title I or in other programs that might be devised if necessary.

That is really the reason for the phase out of Follow-Through. It is an experimental program that has run its course. We will find out what we have learned from it. We have many models throughout the country to be used. Then to use that information in future educational programs.

QUESTION: You are going to phase it out, and then see if there are findings. I would presume that you would have findings now before you decide to terminate the program.

MR.THOMAS: No. The reason that it is being terminated is because it is an experimental program, and has run its course. It will take a period of years to accumulate enough data to study.

QUESTION: In Philadelphia, we have a particular problem with one of the Head Start programs. We found that one of the schools was violating the Head Start program, and the school principal had committed certain students so that he had

a group of students in the Head Start program that was socially, economically, and racially balanced.

The school Board agreed with the school principal that by having a group that consisted of children from low economic backgrounds, they were indeed depriving the children and not helping them.

They went to the state to get funding, because it was removed from the Head Start program. Is this kind of thinking something that you run across or do you find that most people are satisfied with your guidelines?

MR. THOMAS: I think that the latter is certainly the case. I think most people are aware that this is a program that is specifically aimed at poor children. Our mandate is that 90 percent of the children in the program be of poor family, and the 10 percent be non-poor.

We think that this is an appropriate mix. The statutory intent is that this program is clearly for poor children.

QUESTION: Isn't there a thinking that children learn as much from each other as they do from their teachers, and by mixing children of various backgrounds ---

MR. THOMAS: There is that feeling, and we feel that we meet that concern by enabling at least 10 percent, or a minimum of 10 percent of the children to be non-poor.

QUESTION: What is the level of poverty? Who

determines it, or does it vary from state to state?

MR. ROBINSON: You question is how do we determine the poverty level for participation of many youngsters in the program.

The poverty level is determined basically from the Census data. In other words, what we do within the Head Start program, and as a part of the community action agency, we have target areas defined by Census for us.

We expect programs to be established in those target areas to serve those children from those families, meaning that a certain percentage of the children, or the families within those target areas, must come from an income below a certain level.

The cut-off point right now is $4,320. This is the basic cut-off point, which we are using as a result of the legislation passed for the Head Start program.

At the earlier point, we had a different set of figure for income guidelines, but after the passing of the 1972 amendment to the Economic Opportunity Act, which required us to implement the fee schedule, then we adopted this set of figures, beginning at $4,320 and graduating based on the number of children in the family, and the income level of the family going up in graduated steps, that determines who is eligible to enter.

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QUESTION: Sir, you mentioned that there are now 38,000 handicapped children included in the enrollment of Head Start.

I understand that more than 50 percent of those children who have been labeled as handicapped are, in effect, mislabeled and do not meet the correct definition of that word from which they have specifically exempted children who have speech patterns that are not like the majority of speech patterns, children who need glasses and children who need hearing aids.

Do you have any comments on that?

MR. THOMAS: Yes, I have a comment. The comment that your information is inaccurate. We have just completed, as a matter of fact, and will be forwarding to the Congress in the next month or so, within three weeks, a report which will clearly indicate that we have met the Congressional mandate.

QUESTION: I was somewhat familiar with the report, sir, and I thought that it did state that there were more than 50 percent that was mislabeled.

MR. THOMAS: From Science Research?

QUESTION: Midwest contract, Syracuse; right.

MR. THOMAS: What did they say, now?

QUESTION: My understanding of the report is that they said more than 50 percent had been mislabeled;

that they are not severely handicapped as Congress had said.

MR. ROBINSON: I'm sorry. I guess we could debate this, but I would be willing to wager with you the fact that we have children, all of the children, and we are counting in this all children who will satisfy the definition set by the Congress in its requirements that we serve handicapped youngsters.

We expect to be questioned very closely on whether or not we are really fulfilling that mandate, and I'll wager my best suit that we are fulfilling that mandate absolutely and completely.

MR. THOMAS: Suffice to say that when the report comes out, we can show that and every indication that I've gotten is that that is not the case.

QUESTION: Our Head Start Program was one of those that was a half day and was forced to go to a full day.

Did you get a lot of pressure from groups like that?

MR. THOMAS: Not as to the basic decision as to where the Program would go, whether on a half day or full day, based on two things: basically what the community wants, and whether or not we have the resources to do it.

Those are usually the issues that are of the

greatest concern to us.

QUESTION: Are we allowed to go back?

MR. THOMAS: I think any program that has demonstrated that they can provide a service, that they can meet the needs in less than a full day, will obviously do that and take appropriate actions. Certainly, they are not precluded from doing that, but we're interested in keeping the interest of the children in this situation.

QUESTION: Senator Stafford has proposed putting the REHAB services under the OCD. Do you think this is a wise thing to do?

MR. THOMAS: It's not exactly an educational question, but Senator Stafford has introduced legislation to move the Rehabilitation Service Administration out of the Social Rehabilitation Service into the Office of Human Development and not the Office of Child Development.

I am sure that the Secretary feels that is the appropriate location for that program is where it is or else he would propose something else.

I am very confident that the Department should, if the issue comes to the floor, will continue to maintain the program where it is and the way it is. We will recommend that that will continue.

QUESTION: Since the CDA has not yet come out with anything, what about the credentials to men and women?

MR. THOMAS: There are two issues there.

We have Head Start Supplemental Training Program, which is a program where a lot of our people who are a part, or a participant, are staff members of the Head Start Program. The Child Development Degree is one that we are in a position to, and the question is really addressing the committee, is what other people, other institutions that are not currently participating in the program, what they would have to do in order to give out the CDA Certificate.

We at the Head Start Supplemental Training Sessions already do that.

MR. ROBINSON: As far as Head Start is concerned, and as Mr. Thomas has stated, we are currently giving training to thousands of Head Start Staffers.

The Consortium has told us that they will have the ingredients by which to measure the ability of the staff person to do the work with young children. They will have this clearly defined and set up before the end of the year and that we will be in the position to give at least 5,000 CDA's.

Now, to be precise, they have not yet given us the precise measurements. They have not told us precisely what these will be. They have said to us that they will be ready by the end of the year.

In other words, the competentcies will be defined and a CDA credential will be issued.

QUESTION: What are they giving these people?

MR. ROBINSON: We have not given any kind of certification within Head Start, to be very honest. We have simply given them the opportunity to go to colleges and universities, community college, four year colleges, and in some instances, even beyond the graduate levels while they continue to work within the program.

We have not given certification at all.

MR. THOMAS: We have time for two more questions if there are two more. If not, thank you all very much.

SECRETARY HELM: Thank you.

As you can see in the program, our next speaker was to have been Donald E. Johnson, the Administrator of Veterans Affairs, but yesterday the President directed Mr. Johnson to conduct an inspection tour of VA Hospitals and right now he is in San Francisco.

Standing in for Mr. Johnson we have the Chief Benefits Director of the VA, who is Odell W. Vaughn, a veteran and career VA official. Mr. Vaughn administers Veterans' benefits totaling nearly nine billion dollars a year.

Mr. Vaughn is thoroughly familiar with the education benefits programs of the VA and will bring us

up to date on them now.

MR. VAUGHN: Thank you Mr. Helm.

It is indeed a pleasure for me to have an opportunity this afternoon to go over some of the educational benefits administered by the VA.

I'm sure that you're aware that neither the VA nor our educational program is any stranger to the media, particularly in the recent weeks. We have certainly been in the news in one way or the other.

I hope that during my brief remarks, plus giving you the opportunity to ask any questions that you have and try to answer them as candidly as I can, we will be able to give you a broader picture of what happens within the three billion dollar a year program that we administer to the Veteran's and dependants just in this one program that we do operate within the VA.

I hope that this meeting will give you a better understanding of the role that is played by the Veteran's Administration, as to what we can do and what we cannot do in the field of the educational program.

For example, we find that we are quite often confronted with people who charge us with benefits that they are asking for, that we cannot perform, and we cannot give because of the fact that the Congress has rightfully held the job to themselves to determine what benefits will

be administered and the Veteran's Administration basically has the job of administering those as Congress releases them.

Much of the criticism that we have had leveled on us was concerning the benefits being too low, for example. The question of tuition payments.

Many people do not realize that those are beyond our control. Those things are definitely within Congress to act.

I'd like to give you a few facts on the GI Bill going back to 1944, at which time we had the beginning of the World War II Program. In moving forward to the Vietnam Program, we had some fifteen million veterans who have taken advantage of the GI Bill in that period of time.

Many people say that is probably one of the most enlightened programs in the history of any government in the world, and it is certainly the equivalent to providing benefits to some 17 States, for example, for the entire population. If you measure the number of veterans who have taken the training available, you will also find that in this program, and in the handouts that we have given you today, that some 29 biillions of dollars have been spent in the educational programs of the Veteran's Administration since the beginning back in the '40's.

As the result of the 29 billion, we feel that it

has been an excellent investment, particularly when we look back at the World War II veteran and see that he has become the leader of the country today in the field of business, and in the field of government, also, and as the result, the amount of increased taxes that he would spend or pay back into the government over a period of years as the result of his increased earning capacity through the GI Bill programs, he will have paid back this money many, many fold; and we recognize that for this reason, the 29 billion dollars has a true investment on the part of the United States Government.

The total amount of this 29 billion, and to try to put it in some perspective, is the equivalent, for example, of the total sum of seven million dollars more than was spent on the entire period of World War I.

We have two programs that are highly beneficial and I would like to touch on first before we go into the regural GI Bill as we see it today under the Vietnam Program.

Since World War II, the more seriously disabled veterans have had a special training for them, and under this law the Vocational Rehabilitation Act of 1943, which has moved forward, the same benefits are administered through all the war period since that time. There are 780,000 disabled veterans who have taken advantage of this program,

whether we take the man through complete rehabilitation and pay for all of his costs of education, including the tuition to the school of his choice, if he chooses to go to school rather than on the job training.

This is a complete rehabilitation program with all of the tab picked up by the government, in addition to the payments that he would normally receive for the disability incurred or aggrevated by his military service.

During the period of the Vietnam period, we have had 55,000 of that total 780,000; 55,000 have taken advantage under this Vocational Rehabilitation Program.

One of the interesting things that we often hear about in the VA, with reference to the cost of tuition in schools, for example, there are those who would indicate that the Vietnam veteran's reason for attending public school rather than the private school in many instances, is because of the lack of tuition as an extra entity in the Vietnam Program.

The interesting thing, however, if you will study the trend of the non-veteran, the total veteran population of school age, you will find that the trend has moved in that same direction in all fields. Eighty-one percent of our Vietnam veterans are attending public schools, and the reason for this mainly is that at the end of World War II, we had some 17,000 in existence.

We have moved into a much higher figure now with many, many junior colleges opening up throughout the country, and as the result, many of the veterans have chosen now to go to school nearest to their homes.

Under this Rehab Program, the trend has been exactly the same, although the indication is that the tuition has held the men back from going to the private schools.

Under the Vocational Rehabilitation Program for disabled veterans, we find the majority of those people also elect to go to the public school and they could go to the school that they wish, including Harvard. Harvard is the one that most people like to talk about.

In 1956, we had another program that was instituted which is an educational program for the sons and daughters of veterans who are totally disabled due to the war service, or who have died from a service connected cause.

In 1968, this law was broadened to include the wives and widows of those same veterans, the veterans who had a seriously disabled condition or died from a service connected condition.

During the period that those two laws were enacted, we have 222,000 sons and daughters to attend school and 24,000 widows and wives. So, you can see that this is an ever increasing program under the different

educational GI Bill segments.

The Veteran's Administration has tried, in many ways, to point out that the Vietnam veteran, although many people would make him feel, has not taken advantage of the GI Bill because of it being a miserly program with a total lack of feeling on the part of the Administration not to pay the benefits in a timely way and this sort of thing.

We have tried to point out on many occasions, and we would like to give you some figures to indicate, that this is not true at all, that we are very proud ,and when I say proud I mean not for us but for the Vietnam veteran who, of course deserves to be the leader of tomorrow just like the World War II veteran is now today, based on their education under the GI Bill. For this reason, we would like for it to be well known that the Vietnam veteran is definitely taking advantage of his GI Bill.

In this eight year, and we have not quite finished our eight year yet, there have been 4.7 million Vietnam veterans who have trained. At the present time, we have 1,500,000 in training. This is a good indication to me, and I'm sure it is to you that they are taking advantage of this GI Bill to the greatest extent.

The Vietnam veterans participation, for example,

has been 51.5 percent to date, during this same eight year period.

During the same eight year period for World War II, the participation rate was 50.4 percent, and in the Korean Conflict, 42 percent.

So, this means that basically, the participation rate of the Vietnam veteran has now exceeded, and we are sure, based on the history of the World War II program, we are sure that it will move even higher percentage wise than it is today before we see a leveling off, and we do expect, because of the reduction in the separation from the armed forces, we do expect a reduction in the future years of the veteran in school.

This is also true to the limitation of his eligibility.

In the twelve year history of the World War II GI Bill, we had some 2.2 million veterans who went to college under the GI Bill.

In only eight years under the Vietnam Program, we have had 2.4 million. That is 2.4 as opposed to 2.2 veterans who have attended college under the GI Bill. This means, that we have had actually some quarter of a million more veterans under the Vietnam Program who have actually attended school and colleges, than we had during the World War II period.

Some of the changes that have transpired under the Vietnam Program that were not available during the World War II are such things as entitlement for the veteran to attend high school and to get his high school diploma before going to college, and no charge against his entitlement.

This means that in addition to being able to complete high school, this veteran will also have his full eligibility to take courses and go all the way through college as opposed to the World War II veteran who was limited to the charge of his eligibility or of his entitlement for that high school period while he was preparing himself to go to college. This is a very important step in the right direction in making sure that we give complete education to the veteran.

In addition to that, we have added, and when I say we, I mean the Congress with the approval of the President,has added, also, a provision in the law that was not available to the World War II veteran that provides a tutorial service to veterans who find themselves in school and in need of tutorial assistance because of their being away from the school attitude for some several years and moving back into the classroom, they find a need for a tutorial service and the tutorial service is now available under the Vietnam period, which was not under the World War II.

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Under the World War II program we had the rule that provided that if a veteran had over $210 earned income, he was not entitled to his educational allowance, or subsistence, as they called it at that time.

Under the Vietnam Program, the veteran has no limitation as to earned income at the same time he attends. The maximum amount of educational benefit in the World WarII Program was $75, the Vietnam limit is $220.

As I mentioned earlier, under the Seriously Disabled Veteran's Law, a 30 percent or more disabled veteran can attend school and there is no limitation as to what we can pay for in order to make certain he receives his education, and this has been true through all the laws.

I might point out in closing, that since the President took office we have seen an increase of over 70 percent in the educational benefits. It started out prior to his taking office at the rate of $100. It increased to $130, and from $130 to $175 in 1970 and to $220 in '72.

On November the 19th, the Veteran's Administration, at the direction of the President, submitted to the House of Representatives, a recommendation for a cost of living increase in the Vietnam GI Bill.

As of February the 19th, the House passed a Bill

of 13.6 percent increase in the cost of living, of course the cost of living has moved forward since the time we made the presentation in November.

The Senate still has not moved on this Bill and has just recently started hearings on it and they are still having hearings on the Bill, which means that back at the time when we had made the presentation in November, or within any reasonable period thereafter, there had been a law passed, we would see some many, many veterans who would be completing their schooling this year, or receiving a higher rate who will not, under the circumstances or the delay to act on the part of the Congress, the delay is causing these people to have lost part of the money that they would have been receiving during this period.

I feel that it would be best, at this time, to ask you for any questions that you might have and I will certainly try to answer them for you.

QUESTION: You indicated that the major criticism of the Administration has recently been a misunderstanding of programs.

Isn't it a fact that the real criticism that you're facing is that year in and year out a large percentage, many places, in fact practically all the veterans find their subsistance payments are simply not coming through?

The latest case history is that those of us that

live in this area who have seen, it was in one of the local papers two days ago, of another young man who simply couldn't make it because his check was six months late.

What, if anything, is the Administration doing with this rather recurring problem?

MR. VAUGHN: That is one of the major problems. I agree with you.

This misunderstanding was a problem in connection with the VA and the Veteran, and I think that you will see, in most instances, these are tied together when you have a discussion with a group of veterans.

I just finished a tour of four parts of the country meeting on campus with veterans to discuss just the problems that you are talking about. I find that we also end up with a discussion on the amount of money and a longer discussion and a greater one on nonreceipt, and then I also find that we get into the question of discharges which is a strong issue today, whether or not a man should be issued a dishonorable discharge.

Now, there are several things. First let me point out that whether there is only one veteran that fails to get his check, we are concerned, and I can assure you we are.

I do want you to be sure that you understand that

as of the first of this month we paid 1,400,000 plus veterans a check and we're doing this every month.

With the reference to the Advance Pay, there was some indication that it was a failure. It was not a failure. There were several big problems involved that caused the checks not to arrive on time under the Advance Pay System.

However, during the Advance Pay System we paid 697,000 advance pay. So, it does work, the only problem is we lack a lot of having the perfection that we should have.

I could briefly speak on one of the veterans, the one that you were talking about that was in the paper. I think it is has become public enough that it would not infringe on his privacy to tell you that Mr. Blackenship, the gentleman who referred to the fact that he had to drop out of school, changed his address so many times. We have records, and the Treasury Department has records of sending his check.

His first reference was that he had not gotten his checks since November. This was his first charge, and this is when the NBC story came out.

There is a record, and the Treasury Department has a record of checks every month, sometimes a different address, but not in time to catch Blackenship.

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In February, the 22nd day of February, Mr. Blackenship was contacted and we said, give us a good address because we are going to phone the Treasury to send you a check for this back period. We have already sent out one, a lump sum, and he failed to get that check, too.

He had not changed his address at the Post Office, and this can be confirmed at the Post Office. He had not changed his address with the VA.

On February 22nd, the Treasury Department was called and said, send him a check, and here is his address.

The check went out and Mr. Blackenship had moved and it was returned. On March 7th, it was learned that it was returned and on March 7th the Director of our office here, the Veteran's Administration here in Washington, called Mr. Blackenship and said I have in my hand your check, [illegible] come to the Veteran's Administration and pick it up because of the problems that we have had in trying to get the check to the gentleman.

Mr. Blackenship went to the office and signed a receipt for the check on the date of March 7th.

Sometime after that, he hit the media again and he stated that he had to drop out of school because he wasn't being paid.

He had not notified the VA that he had dropped out of school, nor had he notified the school, and as a result, he dropped out of school on March 15th, after he received his check and not before and not because he couldn't get a check, and he failed to notify both of us and as the result, it created an overpayment against him.

This is the case that you were talking about.

MR. HELM: Is NBC here?

MR. VAUGHN: I would like to say that we have a massive study going on. There is a Task Force in the Office, in the field stations looking at closed cases where we have had to pay hardship payments, using those as a guide to see what has caused the problems, and we are in the midst now of making many changes that will be effective sometime between June and September, depending on when we can reprogram the computer.

QUESTION: The reason I raised the question is that as you know, the Task Force that the Administrator appointed several years ago raised this very point.

At the conclusion of that conference, we were all assured that the matter was under control. Six months ago, the LA Office was staffed around the clock because the problem was being solved, and yet our campus, at least everyone of them, continue to report and we're still having problems. As a matter of fact, onour campus at least, that

every chancellor has had to create an emergency fund to keep people in. So, whatever is happening, still isn't good enough to make sure that those people who are entitled to their checks get them on time.

I don't know what percentage move out and don't give you their address, but one of the T.V. programs that I observed, indicated that there's a factor, and the percentage I don't recall, but the figure was in excess of 100,000 veterans were not getting their checks probably because the computer is programmed wrong.

Now, it may not be any more difficult than, literally that. That's where the nub of the problem is.

MR. VAUGHN. There are several things that we have already started to move toward doing and are doing now. We know at this moment, for example, there are several actions that we are taking as of right now.

While this Task Force moves forward, we are making changes in order to be prepared to make certain we do take some action and not waiting until the end of the Task Force period.

Number one: We have already, as of April first of this year, taken the bugs out of the computer that cause the failure to be able to put in Advance Pay and a late or early enrollment.

Number Two: We are taking the bug out of the

computer in order to get the man his Advance Pay although he has failed to submit us a cert card.

That is in process now of being placed in the computer.

We have already changed the Advance Pay when we discovered the Post Office was returning many of those checks, and put the school's name at the top of the check, and then the veteran's name second, because the Treasury Department objected to sending mass checks to anyone location to veterans.

These are some of the things. In addition to that, we have found that we need the assistance of the Veteran Coordinator on campus, because in the study that we made based on delayed and late checks, we found that the causes of late checks was, one: the veteran; two, the school and three; the VA.

Now, we do not say that the veteran in the school is totally at fault when we say they caused the delay, because I think that if we had had a better liaison with the school and a better understanding with the veteran, we could have avoided not only part of our own errors, but we could have also helped to avoid some of theirs.

So, what we have done is we have told our regional offices all over the country, just two weeks ago, to contact veteran coordinators on every campus and offer

them, number one; training; number two: offers to set up a committee with our people sitting in on this committee in order to give these people the opportunity to let us know the minute something goes wrong so we can take steps to do something about it. These are some of the things that we have already moved in, as of now. I think you will see within the next thirty days, the President has told the Administrator that within sixty days he wanted a complete new program, and I think you are going to see it in less time than that, and I think you are going to see a drastic change in our method of operation.

QUESTION: Mr. Vaughn, are you saying that the veteran and the schools are the major cause of the problems?

MR. VAUGHN: No sir, I did not say that.

I said that the causes are the schools, the veteran and the VA, and in the cases that we look at that are closed, it runs almost equal. They don't make the mistake; we goof the case in our operation.

The schools are late with enrollment, and I see you are shaking your head and I can name you one now because in our Monday morning report, we get a report now every Monday morning from every office, one station reported over 2,000 enrollments. I called that office, personally, and I said, you received 2,000 enrollments, and when did these come in and why did you get 2,000 of them. Is this

the summer enrollment starting, because I thought we were through with spring. And, the response was, no, we have 2,000 spring enrollment that were just received on Thursday and Friday of this week, this past week. And, that station received 2,000.

The reason for it is many schools will not release their enrollment certifications until they have a shake-down period. I know this may not be true in the schools you talk to, but it happens.

We are hoping that we can resolve some of the problems like that before the fall enrollment. As I said, again, that even though I have said that some of these particular cases that we have researched and that we have measured, we find it almost equally divided as to what caused the problem, and I don't mean errors on the part of the school nor the veteran either one, I mean the timing of getting the material into the agency.

We can improve on that greatly and I think that in some of the campuses that I have just visited, and as I said there were five campuses around the country or four campuses and the meeting with the National Association of Concerned Veterans, and they indicated to me that there has been a better communication of recent weeks and they do feel the same as I do, that it will solve many of their problems, their own campus problems, with reference to

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delayed checks.

QUESTION: I find that the statistics that you have given today, which are essentially the same that has been put out in the VA releases over the last several months are very one dimensional.

They tend to be defensive and compare what the World War II veteran had with what the veteran has today.

MR. VAUGHN: You are speaking about benefits?

QUESTION: In benefits, about how many have gone to college, how many billions here or how many billions there.

As far as I can see to say these things is absolutely meaningless without the context of where the rest of society is going.

Do you have any figures, or is the VA -- I don't consider this an objective set of figures and I want to know is the VA afraid to get involved in trying to compare? Like, do you have any idea what the GMP growth has been since World War II?

MR. VAUGHN: Yes, sir.

QUESTION: And, immediate income and what percentage of the rest of the population is in college?

MR. VAUGHN: First, I would like to point out that we do have figures that show the percentage of the rest of the population.

QUESTION: You mean that's in college?

MR. VAUGHN: No, no. I'm sorry, I don't have that. We do have the figures as to the comparison to the World War II veteran benefits with those of the Vietnam Period.

QUESTION: This is the point. The point I'm trying to make is that I've seen these over and over again, but what is the purpose of comparing the veteran of World War II with the veteran of Vietnam if you're not comparing the each group of veterans relative to society they are in? This is what ETS tried to do, and VA has consistently downplayed that side of their study and stressed just the one-to-one comparison, veteran to veteran.

That's keeping the social level and the rest of the economy static.

MR. VAUGHN: The problem with the ETS Study, is that they overstep their contract. Under Public Law 540, states that the Veteran Administration would hire a consulting firm to make a comparison on the VA benefits of World War II and Vietnam.

The ETS Study started out in that direction and then they have charts to show where they do start out in that direction comparing the benefits administered because we do not have any control in the Veteran's Administration, whatsoever, on anything except Veteran's Administration

benefits, so it would be of no value to me to go into the question of what it cost for a total livlihood during World War II and a total livelihood during the Vietnam period.

For example, Congress has indicated historically --

QUESTION: That is not the point, though. That's the one statistic that we don't have. Are you saying that you do not have those figures; you don't want the figures?

MR. VAUGHN: No.

What I am saying to you is that Congress has historically stated, and if they want to change their plan, it is fine; Congress has stated that the Veteran's Assistance Allowance, and this came about in 1950 after they did a study on the World War II Programs, that any money to be paid was to be paid first, directly to the veteran in the future. That was one thing.

The second thing, Congress had pointed out that it was never intended for the training allowance to be a total livelihood, and that is why it is called an allowance. The intention of Congress, at that time, as I say Congress has the right to change that at any time, but until they do we have to go on that historical background and bring the cost of living into the picture based on the cost of living index, taking off at the point where they started and

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moving forward.

For example, the Congress' intent to make this allowance, and the intent on their part according to the Members of Congress at the time the law was passed, and at the time of each increase, the intent on their part to recognize that the non-veteran already had some resources under which he could go to school or he wouldn't be going; and that this amount of money, this training allowance would be over and above that as a readjustment allowance, not a total livelihood.

This is why when you move forward on this, you have to operate on the presumption that Congress intended it to be that way until Congress changes it.

Congress has the right, tomorrow, to say that they want to change this and give the veteran total livelihood if they want to. At this point, they're going to have to determine what is a total livelihood as opposed to an allowance.

QUESTION: Can we pursue that one step further?

My point, and I'm not trying to state it in personal terms, but my point is that if you're saying that a veteran today, and this is what the VA consistently argues in a defensive issue, that the veteran today is better off than the veteran of World War II.

My argument is that I'm a hell of a lot better off

than my father and I'm not a veteran.

Things have really changed since World War II, and there should be some comparison made there. Naturally the veteran today is better off than he was in World War II, but relative to what?

MR. VAUGHN: Relative to the dollar value.

When we talk about the veteran of World War II, again we are only talking about the benefits administered by the Veteran's Administration to the World War II veteran in comparison to those administered by the Veteran's Administration to the Vietnam veteran, because that is the limits of our control.

Now, when we say the Vietnam veteran is better off today, for example, in the ETS Study if you like to use that study, there is a page in there, a chart in there that will draft out the fact that some eighty-one percent of the veterans are better off under this Bill, and they use as the example the veteran with no dependents, of course you add on for the dependents, the veteran with no dependents over a period of years, of a year, would receive some hundred dollars, plus more using the same statistics for World War II and for Vietnam except tracking the cost of living index over that period of time.

For example, if the World War II veteran paid his tuition and the VA paid $400 tuition for him, let's say,

and paid him only $75 a month and held his earnings down to $210 per month, as they did and that's a fact and we can prove it, that $75 and tuition, over a period of a man's schooling entitlement, and I think they use a year period, you will find that by tracking the cost of living index, this $220 that he receives today, and we're talking about some eighty-one percent, there are some 19 percent of them that are in schools that would cause the cost to go higher.

But, in their own tracking and in our tracking, we show by the cost of living index that there is a greater amount of money being paid to the Vietnam veteran.

QUESTION: Could you state catagorically, and for the record, that given the cost of living increases and speaking of comparative facts, that the Vietnam veteran is receiving a comparable level and has a comparable access to secondary education as compared to the World War II veteran? Would you say that? Are you saying that it's comparable?

MR. VAUGHN: I'm saying that if you use the cost of living index to compare the amount of money that was received by the average World War II veteran and you track that cost of living index forward from that time to the $220 per month that that man is receiving today, that some 81 percent, or the majority if you want to use the

term majority because this can shift back and forth some percentage from day to day, of course, with the massive enrollment we have had; the Vietnam veteran today, based on our studies and the ETS study, shows that he is better off today.

QUESTION: I don't think I got you to answer the question quite specifically.

MR. VAUGHN: I don't know if he lived in the same house or not.

QUESTION: I'm asking about access now. Given the amount of money given to the veterans today, are you saying that veterans today have the same access support given that it's not a total of financial livelihood, but are you saying that Vietnam veterans have the same access level provided by GI benefits as World War II veterans?

MR. VAUGHN: I'm talking about in the pocket money.

QUESTION: I'm talking about higher tuition. It's gone up incredible, 19 percent from 1949 to the present time to 25 and 26 percent of the cost of tuition. The costs have really gone up incredibly and that access to education, I think, has dropped, and I want you to say that it hasn't dropped.

MR. VAUGHN: I am saying that as long as we can show you that already we have had a greater number of

31 veterans in training in education under the Vietnam GI Bill than we had in World War II, that, in itself, speaks that they are being able to accept education or have the access of the World War II.

Number two: when we see the percentage factor of the veterans of Vietnam who have gone to school and are going to school under the GI Bill compared with those of World War II and Korea, I think that speaks for itself in answering your question as to whether or not they have access, because they must have access because they are certainly going.

QUESTION: Would you go back to that statement that you had on who was responsible for most of the errors. Did you or didn't you put those three, the veterans, the schools and the Veterans' Administration in that order?

MR. VAUGHN: I'm glad that you asked that because I want to be sure that everyone understands that I said that the studies indicated that we had made, in a nationwide basis indicated that it was equally divided into three ways, and that we felt that the VA has responsibility beyond the third that was showing in those reports and we feel that we had not done what we should do in getting with the schools and the veterans to clear up the other two parts of the total problem.

As you reach the certain individual areas of the

country, this changes, this figures changes. For example, in California, the error rate on the part of the VA showed up as a greater percentage, in California, in the Low Angeles, I better clarify that, too, because it did not show up that way in San Francisco, but in the Los Angeles area, it definitely showed that the VA took the greater proportion of the tab of the error rate, which meant that we were more at fault in that area.

Again, I want to be sure that everyone understands that we are admitting today that we did goof. There are many problems encountered in a brand new program,at any time you go into a new program with over a million persons involved and receiving checks to this extent, you are going to have a problem.

QUESTION: Do you have the number in Texas?

MR. VAUGHN: No, I'm sorry. I don't have that with me.

QUESTION: The President of the Gold Star Mothers of San Francisco have asked me to bring back an answer to them. Can they from the Veteran's Administration, receive an I.D. card to purchase at the P.X.? Now, they are Gold Star Mothers of all the war periods.

MR. VAUGHN: The determination of eligibility for military benefits, which includes the post exchange and commisary, is held within the military.

Now, what the VA issues to a person to present to the military is a statement of the status of that person. Let me explain that to you. In the case of a widow, and this is the current interpretation of the military, in the case of a widow of a deceased veteran, the veteran died while he was totally disabled under the Veteran's Administration Regulations, that widow would be entitled.

We do not have any record of any entitlement on the part of the mothers but you would have to check with the military to be [illegible]

QUESTION: I have been with the Advocate General's Office at one time and the plan and the policy had been such as you so stated, however these are mothers of sons they lost in the services, not only World War II but Korean and so forth., and they are requesting and would like to have the I.D., because most of them are retired now.

MR. VAUGHN: They should go to the Department of Defense.

QUESTION: Department of Defense and they shall be issued that?

MR. VAUGHN; Well, I didn't say they would be issued, they make their own decisions. I don't make them.

QUESTION: Doesn't VA come in under that?

MR. VAUGHN: The only thing we do, the Department

of Defense wants, when a certain group of people are eligible, they tell us the type of letter they want from us and we issue the letter to you to take to them in order to get your I.D., but they make the determination.

QUESTION: One more short question.

Marriage is a wonderful institution, however, there are many women married to veterans more than 10 years. Let's speak on housing, purchasing of housing under the GI Bill. There are a lot of men today, that don't want the responsibility of buying their own home, however, the women now, being a mother and so forth, she runs the home and so forth, she finds that purchasing that home under the GI Billif her husband is a veteran, honorably discharged, should be a consideration be given by the Congress or the Veteran's Administration that if he fails to sign to purchase a home, why not have the woman sign and get in the act because it's community property in some states, so it's going to be community property in one way, why not go all the way and have it?

MR. VAUGHN: I'm afraid I'd be infringing on most of the State laws in addition to the regulations of most mortgage people in this country today, they don't approve of the fact that the wife owns a house by herself under the veteran's entitlement.

SECRETARY HELM: Mr. Vaughn has agreed to stand by

for a few moments to be able to answer any additional questions later down the road.

Our next speaker just dropped by for a few moments and has several comments to make. His presentation will be brief. It is Kenneth R. Cole, Jr., who is an Assistant to the President and the Executive Director of the Domestic Council.

MR. COLE: Thank you very much.

I just want to get by and say hello and to express to you the President's appreciation and my own, for the time that you have taken today to learn about the Administration's Education Programs and proposals that the President has made to make the lives of American students a little bit better in years ahead.

I think it would be presumptious of me to augment any of the six hours of briefings that you have had by the experts today, either from our standpoint or from the President's standpoint, that there really is no higher priority in making sure that all of the children of America has the best basic education possible.

The first step in this is still pending before the Congress and that is the passage of the President's Elementary and Secondary Education Act, the Better Schools Act, which has passed the House. It is still before the Senate, before a Senate Committee. It is a Bill that he

would like to have very much; a Bill that he would like to have at the end of this fiscal year, June 30th. We would like to have it before that so we can move ahead with the President's proposal to provide advance funding to the schools across the country, and we are very hopeful that the Congress will act when they return from their Easter recess on this very much needed legislation.

I know also that Caspar Weinberger was over this morning and introduced to you Dr. Trotter and Dr. Bell. We feel extremely fortunate to have such excellent people to fill the post of Assistant Secretary for Education and Commissioner of Education, and the President and I are looking forward to working with these people as we move ahead on the education front.

That's about all I wanted to add. I imagine aftet sitting for as long as you have, you have probably sat long enough and I don't intend to take any more of your time except to say once again thank you, and I hope that you will make known the things that you have learned today to all of the people across this country so they have a better understanding of the things that we want to do to improve the education system.

Thank you very much.

SECRETARY HELM: John, I think you have a very brief announcement.

MR. OTTINA: During the break, someone asked if it would be at all possible to tour the White House.

Unfortunately, this afternoon, it is impossible because they have a State Affair planned and they're moving furniture and they will not allow anybody in.

However, we have arranged for a limited number, fifteen, at 8:00 o'clock tomorrow morning to receive a special guided tour. If any of you would like to do so, it would be conducted at 8:00. You go in as a group. You will be escorted, personally, for awhile and enjoy the V.I.P. tour, if there is an interest. If not, we will just drop it.

QUESTION: How long will it last?

MR. OTTINA: We can tailor it to your wishes. It is being done especially at your request and it can tailored to your request.

It was mentioned and for many of you that don't have the opportunity of having gone through the White House, I think it would be a very interesting place for you to visit.

SECRETARY HELM: Let's see the hands of those that would be interested.

Right after this, drop by and see Marge Putts at the stairway.

Again, Mr. Vaughn has agreed to stay and answer

additional questions, the same as Peter Holms did.

We thank you for coming and we will mail transcripts to you after it is completed. It should be next week.

(Whereupon, at 4:20 the hearing was concluded.)